



Team Obama:
Strong Résumés,
Strong Egos



Mumbai Terror:
Why Pakistan
Must Respond



Hang 'Em Up:
Is This Clint's
Last Acting Role?

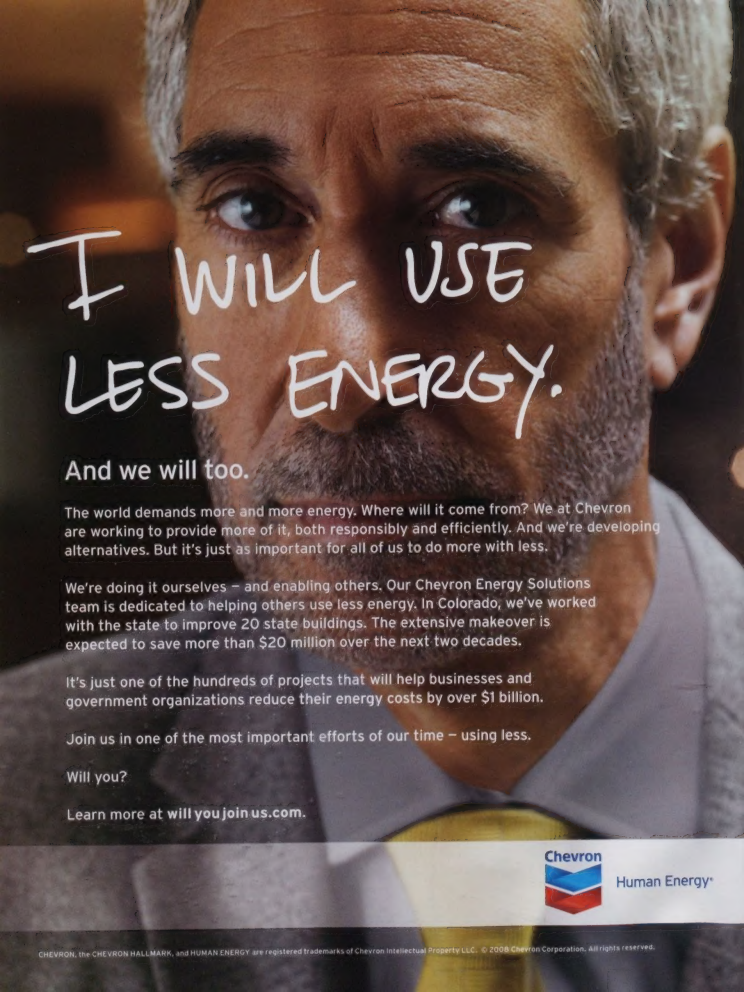
TIME

The Case for Saving Detroit

Boring cars.
Crippling costs.
Poor management.
You might not
think we should
jump-start the auto
companies, but here's
why we may have to

BY BILL SAPORITO





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On the cover: Photo-Illustration for TIME by Arthur Hochstein with photographs by Bill Kalis for TIME and Gregor Schuster—Getty. Insets, from left: Alexandra Buxbaum—ABACAUSA.com; Rajanish Kakade—AP; Patrick Hoelck/Contour by Getty Images

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10 Questions. Frost/Nixon, by the child star turned Oscar-winning director, is out Dec. 5. Ron Howard will now take your questions



Next Questions
Ask Viggo Mortensen your questions for an upcoming interview, at time.com/10Questions

You seem to have been one of the very few famous child stars who survived without any disorders. How did you do it?

Mark Flowers, LOGANVILLE, GA.
I can't take a lot of credit for it. My parents did a fantastic job. The way my father described it to me as a kid, being on television is a career choice. It's a way of working, and you want to do that with integrity, but everybody works. I think that his common sense wore off on me a little bit.

Did growing up as a child star help when your own kids wanted to get into the same field?

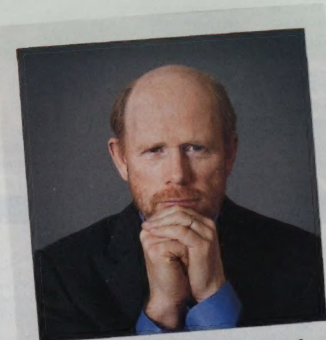
Michael Weaver, HONOLULU
I have four kids. Two of them are acting professionally now, but my wife Cheryl and I wouldn't let any of them work as minors the way I had. What I told them was, "If you love the business, then pursue it. But it's going to be your decision as an adult, not something that I decide for you when you're a minor."

Do you miss *The Andy Griffith Show* or *Happy Days* more?

Collin Kaiser, DENVER
I'm not a very nostalgic person, and I view the shows differently. When I think of my childhood, I think of *The Andy Griffith Show*. *Happy Days* was more like college or the Army, where those relationships are my first adult friendships. Both have important places in my heart, not to be corny about it.

Would you ever act again?

David Malyn, SALT LAKE CITY
Every once in a while, somebody asks me if I would be in something. But at a certain point my wife said, "We're



raising four kids. If you're not pursuing acting as a career, please don't take jobs as a kind of lark. If you have a couple extra weeks, give them to us." I thought that was a really fair request.

What was the most difficult part about making the transition from actor to director?

Matthew Peterson, HOT SPRINGS, ARK.

For me it was learning to not control everything. When you're directing, of course, you're supervising everything, but if you don't trust the artists you're collaborating with, you wind up tying one of their hands behind their back. My work got much, much better when I learned to let go a little bit.

Who do you feel is the best actor turned director, not including yourself?

Ismail Atiev, TORONTO
Robert Redford's made some amazing movies. Eastwood is stupendous. Woody Allen is bold and artful. Ismail, I'm sorry, I'm going to have to say that I admire them all too much to be able to identify a single individual.

Is there going to be an *Arrested Development* film?

Joe Matz, TUCSON, ARIZ.
I hope there's going to be an *Arrested Development* movie because there's this out-of-work narrator who just can't wait to get back to the microphone. If nothing else, just to get people to stop asking me about it.

One of the keys to *Frost/Nixon* is the interplay between Frank Langella and Michael Sheen. What made you believe no other actors could play the roles?

Henrique Amaral, LONDON
Both have done so much to understand their characters, really from their souls. [When I saw them in the play] it became clear to me that anybody else was going to be walking in their shadows, and I really wanted film audiences to see what these actors could bring.

Was it hard for you to be objective toward the subject matter?

Jeff Juhnke, RIVERSIDE, CALIF.
Objectivity is something you can strive for, but you'll always fail in making a movie because it's a personal expression. One of my goals was to never apologize for Richard Nixon or David Frost. But certainly with Nixon, who has been so vilified, deservedly so in many ways, I also wanted you to understand what made him tick.

Why are Americans so nostalgic for old TV shows?

Mike Ozmun, AUSTIN, TEXAS
When we were doing *The Andy Griffith Show* in the '60s, Andy used to say, "There's no town that looks and sounds like Mayberry; this is the Mayberry of my childhood in the '40s." I think there is comfort in looking back and reminding yourself that other people were on journeys before us with ups and downs and made it through. ■



VIDEO AT TIME.COM
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Postcard: Dongguan. Battered by the economic slump, Chinese toymakers are closing up shop—leaving frustrated workers out in the cold.

A blue Christmas at China's North Pole

BY BILL POWELL

Global Dispatch
For more postcards
from around the world,
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AT ABOUT 6 O'CLOCK IN THE EVENING, around what used to be quitting time for the day shift at the He Jun toy factory in Dongguan, China, Wei Dong Li, 40, makes his way to the factory's front entrance, his 3-year-old son Qian Jie tugging at his sleeve. The factory is closed; a few security guards stand inside the locked gate. Posted each evening at the front entrance is a sheaf of documents: the latest rulings from a local court on compensation claims filed by many of He Jun's 4,000 workers, Wei included. "They process a few of them a day, so I come back every other day to check and see if my case is on the list," Wei says. He has no luck again. "I'll just wait some more," he says. "I have nothing else to do at this point."

Dongguan, in China's southern Guangdong province, is a long way from the North Pole. But it's the real Santa's workshop: a sprawling, charmless city of about 7.5 million that produces many of the toys that will end up under Christmas trees around the world. Toys were one of the critical low-wage, low-tech industries on which China's economic boom was built 30 years ago. But as workers like Wei know better than anyone else, that part of China's miracle is coming to an end.

It's been six weeks since Hong Kong-listed He Jun shuttered two of its biggest factories in China, suddenly and without warning. They were among the latest and largest closures in an industry hammered by the global economic slowdown. Fully half of China's toy exporters, which sent nearly \$8 billion worth of Barbies and Thomas the Tank Engines to export markets in 2007, were driven out of business in the first seven months of this year.

On Nov. 25, Kai Da manufacturing, another large toy company, laid off about 600 of its workers. According to participants and eyewitnesses, a large group of workers gathered in the courtyard of the factory demanding to know what com-



Not playing around Workers at the Kai Da toy factory riot after layoffs are announced

penetration they would receive. Informed by a company manager that they would get at most about \$1,500, the workers, furious, refused to leave. When security guards moved to force them out, they fought back, trashing Kai Da's offices and overturning two police cars before authorities could restore order.

Order is what concerns the Chinese government above all. Episodes like the one at Kai Da have become jarringly frequent in southern China in recent months, and Beijing is pressuring employers to pay severance according to the law. That's the reason Wei shows up at He Jun's closed gates, awaiting a court ruling on how much he should be paid. "The government has told us that this issue will be resolved by the end of this month," Wei says, although he doesn't have much faith that it will come through with any assistance. Meanwhile, his money is running out. "I've posted my résumé online for a month now, but it's very hard to find a job around here these days. I've had no responses."

Soon, Wei acknowledged, he may

have to join the stream of jobless workers returning to their hometowns. This exodus—the reversal of more than two decades of migration from poor rural areas to fast-growing coastal cities—is most visible at the Guangzhou train station, where hundreds of migrants like Zhang De Jun sit for hours waiting to board trains home. Zhang, 35, is returning to Sichuan province after losing his job at the sweater factory where he had worked for 10 years. His wife, seated next to him, has lost her job too. Asked what he will do when he gets back, Zhang takes a drag on his cigarette. "I'll do what I used to do," he mutters. "I'll work in the fields."

The run-up to the holidays, usually a boom time for China's toymakers, has been grim this year. New orders at Chinese factories have contracted for four consecutive months, according to a report by CLSA Asia-Pacific Markets in Hong Kong—and dropped at their sharpest rate in the survey's history in November. China's inability to keep peasants down on the farm was once a resounding sign of economic success. Now millions face a return to the countryside—a sign of nothing but trouble.





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Person of the Year. TIME asked prominent individuals whom they would choose for 2008. The nominations continue

Elie Wiesel

Nobel Peace Prize-winning author and the Andrew W. Mellon Professor in the Humanities at Boston University



Barack Obama represents a profound moral breakthrough in history as well as in human attitudes in America. He is proof that what seemed almost unthinkable yesterday is now possible. Visiting the South in the mid-'50s, I confronted racism not only in the streets but also in the courts. The law itself was racist, ugly, inhuman. I felt shame. Now, 50 years later, America is proud.

Mia Farrow

Actress, humanitarian and UNICEF goodwill ambassador



I am a white single mother of a 16-year-old African-American son. I have always told him he could be anything he could dream of, and I hoped with all my heart that it was so. I nominate **the American people** for electing the best presidential candidate, for choosing hope over fear, and for proving to my son that a world of opportunity and possibilities is fully open to him.

Bob Costas

Emmy Award-winning sportscaster who anchored NBC's coverage of the Beijing Olympics



In the year of **Barack Obama**, who is the indisputable Person of the Year, this is one competition where **Michael Phelps** can do no better than silver. But if the question were confined to sports, it would be Phelps by acclamation. His eight-for-eight performance in Beijing made him a household name, even as it placed him in the top tier of all-time Olympians.

Jim Zogby

President of the Arab-American Institute



The real Barack Obama deserves note, but it was the **virtual i-Obama** who so dramatically transformed the future of politics. With millions of online donors and millions of virtual phone bankers downloading call lists of voters in targeted states, and with the YouTube videos, watched by millions, that defined critical campaign moments, i-Obama is my choice.



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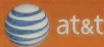


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Inbox



America's Health Report

AS A COLLEGE STUDENT PLANNING TO ENTER the health-care field, I applaud "America's Health Checkup" [Dec. 1]. It's about time we started putting responsibility back into the hands of the individual when it comes to our health. We've gotten into the habit of being reactive instead of proactive, living unhealthy lifestyles and relying on medicine to cure all our ailments. Emphasizing prevention through healthy eating, physical activity and regular checkups is the best approach to take if the U.S. wants to truly fix its health crisis.

Sarah Grafelman, KIRKSVILLE, MO.

YOUR EXAMINATION OF HEALTH CARE talked about everything but the core truth about the American medical industry: There is more money to be made from a sick populace than a healthy one.

Joe Dunlop, SNEELVILLE, GA.

I USED TO BE AMONG THE 67% OF AMERICANS who are overweight. At 5 ft. 2 in. and 265 lb., I took my health in hand by putting myself on a diet and exercising and lost 140 lb. in about a year. I went from a size 26 to a size 4 and stabilized my cholesterol, blood pressure and blood sugar at normal levels. My message is this: I did it on my own, and so can you. You don't need a lot of money, special food or special equipment. All you need is determination.

Keri Kegley, LITTLE ELM, TEXAS

'As long as we treat eating as entertainment instead of as a health issue, no medical treatment will prevent the illness epidemic.'

Judy E. Buss, LAKELAND, FLA.

Readers' Rx: Preventive measures, including exercise and healthier food

What's Next for the GOP

RAMESH PONNURU MAKES MANY VALID points in his analysis of the abject failure of the Republican Party in the 2008 elections [Dec. 1]. Yet I would like to suggest an extremely obvious reason: the abysmal record of the Bush Administration. With George W. Bush gone, Republicans will return, after a period of reflection, as a viable force in the U.S. In the meantime, Barack Obama has a great deal of work to do to repair the damage done by our worst President.

Bill Gottdenker, MOUNTAINVIEW, N.J.

PONNURU SUGGESTS THAT DEJECTED Republicans can revitalize their party by paying attention to the middle class, addressing global warming, making health care affordable and promoting assimilation rather than xenophobia. He proposes, in other words, that Republicans become Democrats or at least move to the center, with an eye toward the 2012 elections. I think the GOP should shoot for 2020. It will take at least that long, probably longer, for Americans to forget the miserable incompetence of the past eight years.

Tom Davis, SEATTLE

PONNURU'S PARTY HAS BEEN REPUDIATED because Americans have finally realized that Republicans have long gone out of their way to take money from the poor and give it to the rich through tax breaks,

SETTING THE RECORD STRAIGHT

■ In a story about the link between inflammation and heart disease in "The Year in Medicine: From A to Z," we pictured the wrong pills [Dec. 1]. The research we described focused on the effects of Crestor, not Lipitor.

deregulation and Executive Orders. Some Republicans shouldn't be worried about reforming the party; they should be worried about staying out of jail.

Guy Falcone, REDWOOD CITY, CALIF.

Is New Energy a Breeze?

I THOUGHT I HAD COME TO A TYPO IN YOUR article "Got Wind?" when I read about the Michigander who spent \$16,000 to get a wind turbine that "can generate 1.5 kilowatts ... enough to power the average lightbulb for 15 hours" [Dec. 1]. And that, he admits, is on a day with "decent wind." A few nuclear plants can power more lightbulbs than that, and you don't have to sit around waiting for a breeze. Americans need to look at how France is getting nearly 80% of its electricity.

Stephanie Gutmann, PIERMONT, N.Y.

Dude, Don't Knock the Book

I HAVE BEEN DREADING THE RELEASE OF the film *Twilight* [Dec. 1]. I felt certain that any movie version of the book would be hokey, and TIME's review of the film confirmed my fears. I take exception, though, to Richard Corliss's apparent condemnation of the source material. I have been reading fantasy and science fiction for more than two decades. Stephenie Meyer's best-selling series (*Twilight*, *New Moon*, *Eclipse* and *Breaking Dawn*) is captivating and original, with an audience that goes far beyond pubescent girls. It would be unfortunate if those who have not yet read the books were discouraged from doing so by a poor movie adaptation.

Bree Urban, SEATTLE



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Business Books. There is no management tome more loved—or dismissed—than this simple tale of mice and men forced to negotiate a new paradigm.

Why is *Cheese* the best seller of all time?

BY ANDREA SACHS



Who Moved My Cheese?

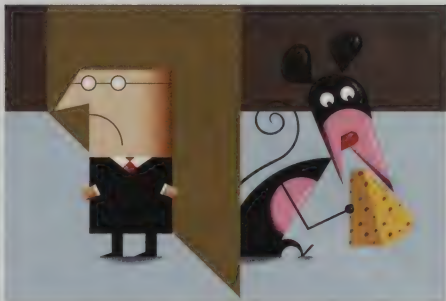
By Spencer Johnson
Putnam; 95 pages

WHEN THIS SLIM VOLUME made its first appearance 10 years ago, it was vying

for attention with Monica Lewinsky and the Clinton scandal. Monica won. But *Cheese* slowly began to gain traction in corporate circles, even though critics disdained it as an overly broad parable that could be understood by a bright sixth-grader. A year later, it was No. 1 on the *New York Times* business best-seller list.

A decade later, it still shows up on best-seller lists. Indeed, *Who Moved My Cheese?* has become the best-selling business book ever, with more than 22 million copies sold worldwide in 37 languages. That's bigger than *Good to Great* and *In Search of Excellence*, case-study-laden books that examine corporate success in detail. There is a cult of *Cheese*, populated by readers (some of them CEOs) who extol the virtues of the book and claim that it has changed their workplace and even their personal life. "I love that book!" says Vijay Govindarajan, a professor at Dartmouth's Tuck School of Business and a strategy consultant for a number of *Fortune* 500 companies. "I use it constantly." The book helps him teach companies how to anticipate change.

But all is not quiet in Cheddar City. *Cheese* also ranks as one of the most despised books. It has been castigated as obvious, insulting. Many of its critics are people who have had copies of *Cheese* forced on them by overzealous bosses, sometimes even as they were let go. (Which means next year could be a big one for *Cheese*.) Scott Adams, creator of the *Dilbert* comic strip and a chronicler of cubicle life, says, "Maybe a hundred people have suggested I mock it—which I have done." Others have parodied the book (*Who Cut the Cheese?* and *Who Stole My Cheese?*).



So, what is this tiny tome that provokes such big reactions? It is a parable that can be read in 45 minutes by a multitasking minion. There are two "Little-people" and two mice. All of them live in a maze. For a time, they have an abundance of cheese to eat (i.e., whatever they want in life). One day, though, the cheese disappears. The mice (Sniff and Scurry) instinctively understand that the paradigm has shifted—they need to adapt and look for cheese in a different place. So they do, and they find New Cheese. The humans are more resistant to change. Hem, the tale's dunderhead, indignantly bellows, "Who moved my cheese?" and refuses to accept reality. Haw too is initially resistant but comes to understand that he has to leave his comfort zone to survive and thrive. Voilà! New Cheese awaits him.

'It's a one-size-fits-all approach. There's not much here from the point of view of the recipients of the changes.'

—ERIC ABRAHAMSON,
COLUMBIA UNIVERSITY

You get the message. Embrace change: it is inevitable. Go with the flow. But Eric Abrahamson, a business-school professor at Columbia University, says the theory is full of holes: "It's a one-size-fits-all approach. There's not much here from the point of view of the recipients of the changes." The problem, he says, is that some employees have been burned out by too much corporate change: layoffs, restructuring, mergers; the cheese never stops moving. That's not a paradigm shift. It's management bereft of ideas.

Which management guru came up with the *Cheese* principle? Answer: Spencer Johnson, who is neither an M.B.A. nor a corporate veteran. He's an M.D. who trained at the Mayo Clinic and Harvard Medical School. He has written 10 other best-selling business books. Johnson knows that some people find his book simpleminded. "Well, I think they're right," he says earnestly from his home in Hawaii. "The irony is that I concur with what they're saying. Those who are looking for answers find the simple, memorable approach the most valuable." It is hard to argue with that: the book has a resonance that stays with the typical reader for a long time. It is also hard to argue with 22 million copies sold.

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Briefing

THE WORLD VERBATIM HISTORY POP CHART

MILESTONES



The Moment

12/02/08: Venice

FOR A THOUSAND YEARS, VENICE's fate has been inextricably tied to water: the city famous for its canals is even shaped like a fish, with an imposing tail bifurcating at the Isola di San Pietro. Over the centuries, the Venetians' empire-building navies gave them grandiose reason to stage an annual Marriage with the Sea—the doge on board a gilded galley flinging a ring into the lagoon in mythic matrimony. Last week, however, the sea wanted more than a ring:

the Adriatic appeared to be reeling in all of Venice itself, grabbing at it with the worst floods La Serenissima has seen in more than 20 years.

For several days, wintry rains, pushy winds and high tides combined to inundate much of Venice's scarce solid ground. At one point, the sea level was more than five feet higher than normal; water sloshed into every part of the city. The Piazza San Marco was submerged, as were all embankments. Venice

barely had time to haul out the wooden planks it sets up to help pedestrians navigate flooding. Sometimes only yellow DO NOT CROSS tape separated pavement from canal.

The waters have been rising precipitously, of course, since

**The City of Bridges
always had one foot
in the sea. Now the
waters are rising**

the middle of the 20th century. Global warming may be a culprit, but simply cutting carbon emissions isn't going to keep the city from drowning. An immense and intricate flood-control system is in the works. Evocatively called MOSES, an

acronym for its Italian name, the \$5.3 billion project is about half done, but it's not scheduled for completion till 2014. Financing has slowed construction: at one time, Venice had to sell off some of its venerated palazzi to raise money. But, says Rafael Bras, dean of the engineering school at the University of California at Irvine and chair of the committee overseeing MOSES, another change in the global climate is helping. The worldwide financial crisis has prompted governments to throw vast amounts of money into public works to stimulate their economies. And so MOSES is finally getting its share. Who knew the Adriatic wanted that kind of bailout?

—BY HOWARD CHUA-EOAN ■

The World

10 ESSENTIAL STORIES



Nigerian Red Cross officials tend to the wounded after sectarian violence in Jos

1 | Nigeria

Religious Riots

Allegations of election-rigging in the central city of Jos sparked violent clashes between Christians and Muslims that left hundreds dead and displaced thousands. Marauders from both sides rampaged through the streets, burning churches, mosques, shops and homes and using guns and machetes to slaughter their enemies. Though the casualties represented Nigeria's worst death toll in several years, the "middle belt" of Africa's most populous nation—the intersection of its mostly Muslim north and predominantly Christian south—has been racked by sectarian violence before. Religious and ethnic riots in Jos killed about 1,000 people in 2001, and hundreds more died in a nearby city in 2004.

2 | Hawaii

The Road Ahead

On Dec. 2, Hawaii Governor Linda Lingle and her state's largest utility endorsed plans to build more than 70,000 recharging stations for electric vehicles by 2012. The project, expected to cost upwards of \$70 million, calls for a public-private partnership with the California-based battery maker Better Place, which will build the stations and supply batteries to those who choose to buy or lease an electric car. Lingle hailed the plan as a major step in curbing emissions and rising energy costs. The state needs to do something, it spends nearly \$7 billion each year on imported oil. Better Place is seeking similar deals in Israel, Australia, Denmark and the San Francisco area.



3 | Brazil

Rain-Forest Rescue Plan

After the news that Amazon deforestation rose 3.8% in the past year—the first increase since 2004—Brazil will present plans for halving the yearly destruction at the U.N. climate summit in Poznan, Poland, which began Dec. 1. Forest-razing for agriculture accelerated this year with soaring beef and soy prices.



Chambliss, left, said his victory over Martin proved voters want a "balance of government"

4 | Georgia

A Rare Republican Victory

In a hopeful postscript to the GOP's humiliating losses in the Nov. 4 elections, incumbent Saxby Chambliss beat Jim Martin in a runoff vote, dashing the Democrats' hopes for a filibuster-proof Senate. With turnout low despite high-profile stumping by Sarah Palin, John McCain, Bill Clinton and Al Gore—as well as Atlanta rappers Ludacris and T.I.—Chambliss won some 57% of the vote.

5 | England

Clerical Dispute

Radical Muslim cleric Abu Qatada, Osama bin Laden's alleged right-hand man in Europe, was returned to a British prison on Dec. 2 amid fears that he might flee, violating the conditions of his bail. Although Qatada was arrested in 2002 on suspicion of being "heavily involved" in al-Qaeda activities, he was never charged. He was released on bail in June after a court determined that he would not face a fair trial if returned to his home country of Jordan. He is set to remain in prison indefinitely, pending another legal battle over his deportation.

6 | Norway

Cluster-Bomb Ban

Almost 100 countries signed a treaty banning cluster bombs—large munitions filled with hundreds of smaller bomblets—on Dec. 3. Unexploded bomblets, which litter dozens of current and former war zones, can kill and maim civilians. Russia, China and the U.S. declined to participate.

Numbers:

\$8
BILLION

Drop in Harvard University's endowment since 2007, the largest decline in the school's modern history

439%

Percentage increase in college costs from 1982 to 2007; median family income rose 147%



7 | Bangkok

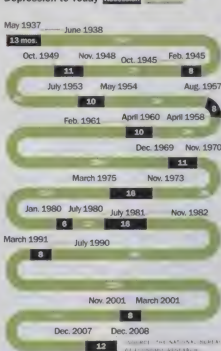
BACK FROM THE BRINK As months of antigovernment protests culminated in the occupation of two Bangkok airports (above), a court dissolved Thailand's ruling party, finding its members guilty of election fraud. The protesters dispersed, flights resumed, and 109 lawmakers, including Prime Minister Somchai Wongsawat, were barred from politics for five years. Still, Thailand's troubles are far from over: the selection of its next Prime Minister could spark renewed clashes.

8 | Boston

Recession Concession

The National Bureau of Economic Research (NBER) announced that the U.S. economy has been in a recession since December 2007, its first since the technology bubble burst in 2001. While a recession is typically defined as two consecutive quarters of contracting GDP, the NBER measures other factors, like employment and income, which delayed its results. This downturn is so far the third longest since the Great Depression.

Recessions and Expansions from the Great Depression to Today

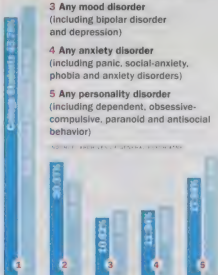


9 | Iraq

An End to Immunity

The main effect of Nov. 27's Status of Forces Agreement between Iraq and the U.S. is clear—complete troop withdrawal by the end of 2011. But with that pullback comes the end of immunity from Iraqi law for U.S. contractors. Private-security employees have been looked upon with increasing disfavor since last fall's shooting of more than a dozen Iraqis by Blackwater guards. It is unclear whether U.S. contractors will be held responsible for any past offenses.

- 1 Any psychiatric diagnosis (based on interviews conducted in 2001 and 2002 with about 5,000 Americans ages 19-25)
- 2 Any alcohol abuse or dependence
- 3 Any mood disorder (including bipolar disorder and depression)
- 4 Any anxiety disorder (including panic, social-anxiety, phobia and anxiety disorders)
- 5 Any personality disorder (including dependent, obsessive-compulsive, paranoid and antisocial behavior)



10 | Chicago

The Kids Aren't All Right

Ever since an unstable Virginia Tech student went on a 2007 shooting rampage that left 32 dead, mental-health experts have been looking for answers. A new study by researchers from Columbia University, the National Institutes of Health and the New York State Psychiatric Institute provides some grim data: nearly half of college-age Americans have psychiatric problems, and fewer than one-quarter seek help.

★ | What They're Prescribing In Switzerland:

Swiss voters have approved the creation of permanent, legalized heroin centers aimed at helping hard-core addicts learn to function in society. Rather than wean users off the drug, the centers will provide them with carefully measured doses twice a day. Somewhat surprisingly, voters rejected the decriminalization of marijuana in the same referendum.



300,000

Number of babies in China estimated to have been sickened by milk powder tainted with toxic melamine

524 MILES

Distance that Ford Motor Co. CEO Alan Mulally drove, from Detroit to Washington, to renew his plea for an auto-industry bailout

Verbatim

'Never forget: The press is the enemy. The Establishment is the enemy. The professors are the enemy.'

RICHARD NIXON, talking to National Security Adviser Henry Kissinger in 1972 in a taped Oval Office conversation released for the first time by the Nixon Library

'We are not prepared to sign a suicide agreement that causes small island states to disappear.'

SELWIN HART, Barbados delegate to the United Nations, calling for tougher U.N. policies in fighting global warming

'It's become like a common thing in the NHL for guys to fall in love with my sloppy seconds.'

SEAN AVERY, NHL player, on the relationship between Calgary Flames' Dion Phaneuf and Avery's ex-girlfriend, actress Elisha Cuthbert. He was suspended indefinitely for the remark

'If I say hi and you say hi back, we're probably off to a good start.'

ALEC GREVEN, the 9-year-old author of *How to Talk to Girls*, dispensing dating advice

'Some man lost his life because a VCR was on sale? Please. It's just too sad for words.'

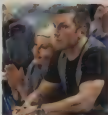
ELLIE BERNHUN, shopper, after customers at a Walmart in suburban New York trampled a storeworker to death on Black Friday

'If I am healthy, God willing, I will be with you until 2019, until 2021.'

HUGO CHAVEZ, Venezuelan President, on seeking a constitutional amendment that would allow him to run for re-election

'I think I was unprepared for war.'

GEORGE W. BUSH, outgoing President, lamenting the faulty intelligence used to build support for invading Iraq



Back & Forth:

Media

'This is fun for the press to try to stir up whatever quotes were generated in the course of the campaign—no, I understand—and you're having fun, and there's nothing wrong with that.'

President-elect **BARACK OBAMA**, after nominating Hillary Clinton to be Secretary of State, dismissing a journalist's question about political differences



'How silly of that reporter to dare ask you, Mr. President-elect, how it is that you completely mocked Hillary Clinton's foreign policy experience just a few months ago.'

CNN anchor **CAMPBELL BROWN**, calling Obama's response a clever way to avoid answering a legitimate question



White House

'I was at first nauseated, then realized it was an opportunity.'

Artist **DEBORAH LAWRENCE**, on being asked to create an ornament for the White House Christmas tree; her ornament features tiny text saluting efforts to impeach George W. Bush

'It really is a shame and, quite frankly, not very much in the holiday spirit.'

SALLY McDONOUGH, spokeswoman for Laura Bush, announcing that the First Lady had changed her mind about hanging the handmade ornament

LEXICON

Google

Cyberchondriac n.

Someone who needlessly fears the worst after using the Internet to self-diagnose an ailment

USAGE: "Health information online is breeding a generation of cyberchondriacs." —BBC, Dec. 1, 2008



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A Brief History Of:

The Bowl Championship Series



LIKE EGGNOG OR RERUNS OF *IT'S A WONDERFUL LIFE*, college football fans' grumbling over the Bowl Championship Series (BCS)—the muddled method by which the sport anoints its national champion—has become a December rite. The chorus of critics includes Barack Obama, who opined in his first postelection interview that “any sensible person” would favor a playoff system to determine who’s No. 1. And that was before the Oklahoma Sooners sped past Texas in this year’s race to the BCS title game despite losing to the Longhorns 45-35 in October—a result purists say should logically make Texas the higher ranked team.

The BCS selects entrants for its five bowl games using an algorithm that weighs two expert polls and six intricate computer rankings. Its mastermind, former Southeastern Conference commissioner Roy Kramer, had a simple mission when he unveiled the system in 1998: pinpoint a formula that would pit the nation’s two top-ranked teams against each other in a winner-take-all contest. Since 1902, postseason bowl matchups had been based largely on historic rivalries and conference affiliations. Schools reaped financial windfalls, but the process failed to crown a definitive champion.

Proponents laud Kramer’s system for infusing humdrum regular-season matchups with drama and import. But critics say the BCS can discriminate against worthy underdogs and elevate the wrong teams to its ultimate showdown. Outrage over its capricious rankings spurred Senate hearings in 2003 and a congressional inquiry in 2005. A 2007 Gallup poll found that only 15% of fans would balk at scrapping the present format for a tidy year-end tournament. This year, that number is probably even lower in the Lone Star State. —BY ALEX ALTMAN

Eyes on the prize *The BCS is college football’s pinnacle*

PICKING A WINNER

1902 In the first Rose Bowl, college football’s first



postseason game, Michigan trounces Stanford 49-0

1992 After 57 years in which the No. 1 and No. 2 college teams met in bowl games just eight times, a BCS precursor, the Bowl Coalition, debuts

2003 Fumble! Despite topping two expert polls, the University of Southern

California is not selected for the national championship game

2006 A stand-alone title game is added to the schedule, joining the existing four BCS Bowls

*HYPER OF BOWLS • ORANGE • ROSE • SUGAR • FIESTA • BCS NATIONAL CHAMPIONSHIP GAME

THE SKIMMER



Do the Right Thing

By Mike Huckabee
Sentinel; 232 pages

A YEAR LATER, MIKE HUCKABEE is still looking for the woman who handed him her wedding ring at a Michigan campaign rally. “I don’t have any money,” he remembers her saying before she dissolved back into the crowd. For the former Arkansas governor, the gesture symbolized his remarkable campaign: a validation of the idea that anyone can be President, even a Baptist pastor with crooked teeth, no personal fortune but an amazing ability to communicate. His sixth book is part memoir and part political treatise, full of policy proposals, like a national sales tax, and harsh words for foes, including “left of center” Mitt Romney and the libertarian “faux-cons” of the Republican Party. But its emotional heart is a portrait of what might be called Huckabee’s America, a place where long-haul truckers lead campaign rallies, Chuck Norris is a political kingmaker and everyone shops at Sam’s Club. Huckabee still predicts a populist revolution in which regular, God-fearing people will take Washington by storm. In the meantime, he is searching for his “angel with a ring.” He wants to give it back.

—BY MICHAEL SCHERER

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Pop Chart



ANDY ROONEY cops to stealing dinner rolls



ANDERSON COOPER races **MICHAEL PHELPS**



BOY GEORGE police tape: Yeah, O.K., I did handcuff that escort



MARIO LOPEZ just misses out on *Meet the Press* gig. Agrees to do Miss America pageant again as consolation



AMY WINEHOUSE'S husband on her drug addiction: "My bad"



CREED discusses reuniting. **NICKELBACK** prepares for battle

SHOCKING

TINA FEY'S disturbing scar secret revealed!



WILLIAM SHATNER gets a talk show. Finally



CONDI RICE gives private piano recital for **THE QUEEN**



GUNS N' ROSES' campaign to have Dr Pepper make good on free-soda offer likely to last 17 years

PREDICTABLE



Former mermaid **DARRYL HANNAH** joins antiwhaling activists



BRITNEY SPEARS: "I go through life like a Karate Kid"



MILEY CYRUS says Annie Leibovitz has made her want to become a photographer. That explains those MySpace pics



ROSIE LIVE dead on arrival

SHOCKINGLY PREDICTABLE



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Milestones



Odetta

SOME PEOPLE SING; ODETTA testified. Martin Luther King Jr. called Odetta, who died Dec. 2 at 77 of heart disease, "the queen of American folk music." In a career spanning nearly 60 years, she wrapped her booming, classically trained contralto around traditional hymns, work

songs and pop tunes. A solid, inspiring figure at 1960s civil rights events, Odetta brought art-song precision to the gospel and blues repertoire. If a line could be drawn from Mahalia Jackson to Janis Joplin, it would have to go through her.

Born Odetta Holmes in Birmingham, Ala., and raised in Los Angeles, she sang in

musical theater as a teenager, and in the early '50s helped form the vanguard of the folk-music movement. Bob Dylan said that her 1956 LP, *Odetta Sings Ballads and Blues*, was "the first thing that turned me on to folk singing." She returned the favor by recording an album of Dylan songs in 1965.

Odetta kept that light shining into her 70s, with tribute albums to Leadbelly and Ella Fitzgerald. She could still do justice to songs identified with her: "Water Boy," "Midnight Special," "We Shall Overcome."

Recently hospitalized for kidney failure, she kept willing herself to live in the hope she'd be able to sing at Barack Obama's inauguration as President. That won't happen, but on Jan. 20 the echo of Odetta's majestic urgency will be there. Some voices can't be stilled. —BY RICHARD COLLINS



Jørn Utzon

AN ARCHITECT'S ARCHITECT, Jørn Utzon, who died Nov. 29 at 90, was immensely creative in his understanding of space. He was also a problem solver, concerned with human scale, structure and function. His life, his legacy and the story of the Sydney Opera House are so intertwined that it is almost impossible to separate them from one another. His astonishing 1957 design was pure poetry. It was a land-

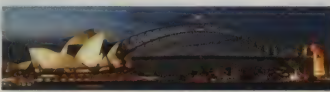
mark then and remains so.

But Utzon will also be remembered as a somewhat tragic figure. He saw his dream destroyed and his design modified after a disagreement with the Australian government resulted in his

resignation from the project before its completion. Sadly, the experience prevented him from creating more than he did.

The making of architecture has a profound effect on those who experience it. When completed, it takes on a life of its own, and all we can hope for is that its life is long and healthy. Utzon understood that. It is easy to be wishful about the lost possibility of another Utzon masterpiece, but perhaps it is better to honor the sacrifices Jørn made for this one, which will shine forever. —BY RICHARD MEIER

Meier, a world-renowned architect, designed the Getty Center in Los Angeles



DIED V.P. Singh, 77, was Prime Minister of India from 1989 to '90. His decision to reserve a fixed percentage of public-sector jobs for India's lower castes sparked riotous protests—and cemented his reputation among the poor as "India's Mandela."

■ Ibrahim Nasir, 82, served as the first President of the Maldives from 1968 to '78 after leading the movement that secured the island nation's independence from Britain.

■ George Doherty, 97, was a pastor whose 1954 sermon before President Dwight D. Eisenhower eventually led to the insertion of the phrase "under God" into the Pledge of Allegiance. Doherty said the words applied to Christians, Jews and Muslims. Atheists, on the other hand, "fall short of the American ideal of life."

■ Edna Parker, 115, was the world's oldest person by 143 days. An Indiana farmer's wife who didn't drink or smoke, Parker worked as a teacher in a two-room schoolhouse until her marriage in 1913. She is survived by, among others, 13 great-great-grandchildren.

CHARGED Birmingham, Ala., Mayor Larry Langford, 60, and two others were arrested, as part of a 101-count federal indictment, on charges of bribery, conspiracy and money-laundering. All three have pleaded not guilty. Langford is accused of accepting bribes while serving as county commissioner in exchange for steering bond deals to an investor.

■ After accidentally shooting himself in the thigh at a Manhattan nightclub, New York Giants wide receiver Plaxico Burress, 31, was charged with two counts of felony weapons possession. If convicted, Burress—who lacked a permit to carry his firearm—faces at least 3½ years in jail. He has been suspended by the Giants for the rest of the season.



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Important Safety Information

What important safety information do I need to know about taking prescription ENBREL?

ENBREL is a type of protein called a tumor necrosis factor (TNF) blocker that blocks the action of a substance your body's immune system makes called TNF. People with an immune disease, such as rheumatoid arthritis, juvenile idiopathic arthritis, ankylosing spondylitis, psoriatic arthritis, or psoriasis, have too much TNF in their bodies.

ENBREL can reduce the amount of active TNF in the body to normal levels, helping to treat your disease. But, in doing so, ENBREL can also lower the ability of your immune system to fight infections.

Serious infections, including tuberculosis (TB), have happened in patients taking ENBREL. Some of these serious infections have been fatal. Many serious infections occurred in people prone to infection. Serious infections have also occurred in patients with advanced or poorly controlled diabetes. Do not start ENBREL if you have an infection or are allergic to ENBREL or its components. Once on ENBREL, if you get an infection or have any sign of an infection, including fever, cough, or flu-like symptoms, or have

open sores, tell your doctor. Your doctor should test you for TB before starting ENBREL and should monitor you closely for signs and symptoms of TB.

Serious nervous system disorders, such as multiple sclerosis, seizures, or inflammation of the nerves of the eyes have been reported. There have been rare reports of serious blood disorders (some fatal).

In medical studies, more cases of lymphoma (a type of cancer) were seen in patients taking TNF blockers compared to similar patients who were not taking TNF blockers. The risk of lymphoma may be several-fold higher in people with rheumatoid arthritis and psoriasis; the role of TNF blockers in the development of malignancies is unknown.

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Learn more about moderate to severe plaque psoriasis, ENBREL, and patient support. Call 1-877-ENBREL4 or visit www.enbrel.com

Talk to your dermatologist today about ENBREL.
BECAUSE ENOUGH IS ENOUGH.

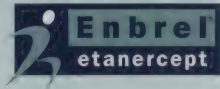
Tell your doctor if you:

- Think you have, are being treated for, have signs of, or are prone to infection
- Have any open sores
- Have or have had TB or hepatitis B
- Have ever been treated for heart failure
- Have ever had or develop a serious nervous system disorder
- Develop symptoms such as persistent fever, bruising, bleeding, or paleness while taking ENBREL

Common side effects in adult clinical trials were injection site reaction, infection and headache.

If you have any questions about this information, be sure to discuss them with your doctor. You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch, or call 1-800-FDA-1088.

Please see Medication Guide on the following page.



Medication Guide ENBREL® (en-brel) (etanercept)



Read the Medication Guide that comes with ENBREL® before you start using it and each time you get a refill. There may be new information. This Medication Guide does not take the place of talking with your doctor about your medical condition or treatment with ENBREL®.

What is the most important information I should know about ENBREL®?

ENBREL® is a medicine that affects your immune system. ENBREL® can lower the ability of your immune system to fight infections. Serious infections, including tuberculosis (TB), have happened in patients taking ENBREL®. Some patients have died from these serious infections.

Before starting ENBREL®, tell your doctor if you:

- think you have an infection
- are being treated for an infection
- have signs of an infection, such as a fever, cough, flu-like symptoms
- have any open sores on your body
- get a lot of infections or have infections that keep coming back
- have diabetes or an immune system problem. People with these conditions have a higher chance for infections.
- have tuberculosis (TB), or if you have been in close contact with someone who has had tuberculosis
 - Your doctor should test you for TB before starting ENBREL®
 - Your doctor should monitor you closely for signs and symptoms of TB during treatment with ENBREL®
- use the medicine Kinerep® (anakinra)
- have or have had hepatitis B

After starting ENBREL®, if you get an infection, any sign of an infection including a fever, cough, flu-like symptoms, or have any open sores on your body, call your doctor right away.

ENBREL® can make you more likely to get infections or make any infection that you may have worse.

What is ENBREL®?

ENBREL® is a medicine called a Tumor Necrosis Factor (TNF) blocker. ENBREL® is used in adults to treat:

- **moderately to severely active rheumatoid arthritis (RA)**. ENBREL® can be used alone or with a medicine called methotrexate.
 - **psoriatic arthritis**. ENBREL® can be used with methotrexate in patients who have not responded well to methotrexate alone.
 - **ankylosing spondylitis (AS)**
 - **chronic, moderate to severe psoriasis**
- ENBREL® is used in children ages 2 years and older to treat **moderately to severely active polyarticular juvenile idiopathic arthritis (JIA)**. ENBREL® has not been studied in children under 2 years of age.

ENBREL® can help reduce joint damage, and the signs and symptoms of the above mentioned diseases. People with these diseases have too much protein called tumor necrosis factor (TNF), which is made by your immune system. ENBREL® can reduce the amount of TNF in the body to normal levels and block the damage that too much TNF can cause. But it can also lower the ability of your immune system to fight infections. See "What is the most important information I should know about ENBREL®?" and "What are the possible side effects of ENBREL®?"

Who should not use ENBREL®?

Do not use ENBREL® if you:

- have an infection that has spread through your body (sepsis)
- have ever had an allergic reaction to ENBREL®

What should I tell my doctor before starting ENBREL®?

ENBREL® may not be right for you. Before starting ENBREL®, tell your doctor about all of your health conditions, including if you:

- have an infection (See "What is the most important information I should know about ENBREL®?")

- have seizures, any numbness or tingling, or a disease that affects your nervous system such as multiple sclerosis
- have heart failure
- are scheduled to have surgery
- are scheduled for any vaccines. All vaccines should be brought up to date before starting ENBREL®. Patients taking ENBREL® should not receive live vaccines.
- are allergic to rubber or latex. The needle cover on the single-use prefilled syringe and the single-use prefilled SureClick™ autoinjector contains latex.

Tell your doctor if you are pregnant, planning to become pregnant, or breastfeeding. ENBREL® has not been studied in pregnant women or nursing mothers.

Pregnancy Registry: Amgen has a registry for pregnant women exposed to ENBREL®. The purpose of this registry is to check the health of the pregnant mother and her child. Talk to your doctor if you are pregnant and contact the registry at 1-877-311-8972.

Tell your doctor about all the medicines you take including prescription and nonprescription medicines, vitamins and herbal supplements. Your doctor will tell you if it is okay to take your other medicines while taking ENBREL®. Especially, tell your doctor if you take:

- Kinerep® (anakinra). You have a higher chance for serious infections when taking ENBREL® with Kinerep®.
- cyclophosphamide. You may have a higher chance for getting certain cancers when taking ENBREL® with cyclophosphamide.

Know the medicines you take. Keep a list of them to show your doctor and pharmacist each time you get a new medicine.

How should I use ENBREL®?

See the Patient Instructions for Use that comes with your ENBREL® product for complete instructions. ENBREL® is available as:

- ENBREL® Single-use Prefilled Syringe
 - ENBREL® Single-use Prefilled SureClick™ Autoinjector
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- ENBREL® is given by injection under the skin.
- Make sure you have been shown how to inject ENBREL® before you do it yourself. Someone you know can also help you with your injection.
 - Your doctor will tell you how often you should use ENBREL®. This is based on your condition to be treated.
 - Do not use ENBREL® more often than prescribed.
 - Do not miss any doses of ENBREL®. Call your doctor if you miss a dose of ENBREL®. Your doctor will tell you when to take your missed dose.
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What are the possible side effects of ENBREL®?

Serious side effects have happened in people taking ENBREL®, including:

- **Serious infections including tuberculosis (TB).** See "What is the most important information I should know about ENBREL®?"
- **Nervous system problems** such as Multiple Sclerosis, seizures, or inflammation of the nerves of the eyes have occurred in rare cases. Symptoms include numbness or tingling, problems with your vision, weakness in your arms and legs, and dizziness.
- **Blood problems.** In rare cases, your body may not make enough of the blood cells that help fight infections or help stop bleeding. This can lead to death. Symptoms include a fever that doesn't go away,

- bruising or bleeding very easily, or looking very pale
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- **Allergic reactions.** Signs of an allergic reaction include a severe rash, a swollen face, or trouble breathing.
- **Immune reactions including a lupus-like syndrome.** Symptoms include a rash on your face and arms that gets worse in the sun. Symptoms may go away when you stop taking ENBREL®.
- **Lymphoma (a type of cancer).** People with rheumatoid arthritis or psoriasis may have a higher chance for getting lymphoma.

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These are not all the side effects with ENBREL®. Ask your doctor or pharmacist for more information.

How should I store ENBREL®?

- Store ENBREL® in the refrigerator at 36° to 46°F (2° to 8°C).
- Do not freeze.
- Keep ENBREL® in the original carton to protect from light.
- Keep ENBREL® and all medicines out of the reach of children.

General Information about ENBREL®

Medicines are sometimes prescribed for purposes not mentioned in a Medication Guide. Do not use ENBREL® for a condition for which it was not prescribed. Do not give ENBREL® to other people, even if they have the same condition. It may harm them and it is against the law.

This Medication Guide summarizes the most important information about ENBREL®. If you would like more information, talk with your doctor. You can ask your doctor or pharmacist for information about ENBREL® that was written for healthcare professionals. For more information call 1-888-4ENBREL (1-888-436-2735).

Call your doctor for medical advice about side effects. You may report side effects to FDA at 1-800-FDA-1088.

What are the ingredients in ENBREL® Single-use Prefilled Syringe and the Single-use Prefilled SureClick™ Autoinjector?

Active ingredient: etanercept
Inactive ingredients: sucrose, sodium chloride, L-arginine hydrochloride and sodium phosphate

What are the ingredients in ENBREL® Multiple-use Vial?

Active ingredient: etanercept
Inactive ingredients: mannitol, sucrose, tromethamine.

Issue Date: 06/2008

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WORLD

After the Horror

In the wake of the terrorism in Mumbai, India has no good options. Nor does the U.S.



A city plays witness A large crowd gathers outside Nariman House in Mumbai after a successful raid by Indian commandos. They killed two terrorists who had



seized the Jewish center and murdered several hostages

Photograph by Subhash Sharma



Smoke and flames rise from the iconic Taj Hotel, the last site to be subdued

IN THE BLOODSTAINED AFTERMATH OF the horror in Mumbai, India picks itself up and counts the cost in lives lost, in property destroyed and, most of all, in the scarred psyche of a ravaged nation. But there are other consequences, yet to be measured, that the world will soon be coming to terms with—ones whose impact could extend well beyond India's borders, with implications for the peace and security of the region and the world.

As evidence slowly mounts that the terrorists—at least most of them—came across the Arabian Sea from Pakistan to wreak mayhem on Mumbai, the geopolitical reverberations of the carnage are beginning to resonate. Pakistan was hacked off the stooped shoulders of India by the departing British in 1947 to be a homeland for the subcontinent's Muslims, and its relations with India have since been bedeviled by a festering dispute over the divided territory of Kashmir, India's only Muslim-majority state. Almost as many Muslims have remained in India as live in Pakistan, but Pakistan has had the worst of four wars between the neighbors.

For two decades, a succession of Pakistani military leaders have made it a point to support, finance, equip and train Islamist militants to conduct terrorist operations in India. The logic is clear: it is more cost-effective to bleed India from within than to challenge it through more conventional military means. Kashmiri militancy against Indian rule has been fomented and supported by Pakistan, though India's own domestic problems—including the occasional eruption of Hindu-Muslim clashes, notably a 2002 pogrom against Muslims in the state of Gujarat—offered a crucial opportunity to recruit disaffected Indian Muslims to the cause of violence. The increasing frequency of terrorist attacks on Indian targets in recent years has, however, repeatedly

been traced to Pakistan. One assault—on India's parliament in December 2001 by the Pakistan-based militant organization Jaish-e-Muhammad—nearly triggered a full-scale war. This year U.S. intelligence sources publicly revealed that July's suicide bombing of the Indian embassy in Kabul was conducted at the behest of Pakistan's military intelligence agency, the Inter-Services Intelligence (ISI).

The newly elected civilian government in Islamabad, led by President Asif Ali Zardari, had shown every sign of wanting to move away from this narrative of hatred and hostility. But Pakistan is a deeply divided nation. As the Kabul bombing showed, the disconnect between the statements of the government and the actions of the ISI suggested that the government was too weak to control its own security apparatus. In India, the state has an army; in Pakistan, the army has a state. An attempt this summer to place the ISI under the Interior Ministry had to be rescinded when the army refused to accept the order. And when, in the wake of the Mumbai bombings, Zardari acceded to the request of Indian Prime Minister Manmohan Singh to send the head of the ISI to India to assist Indian authorities in their investigation, the Pakistani military again forced the civilian government into a humiliating climb down.

The ISI is not exactly keen on cooperating with an investigation into the massacre. The Mumbai attacks bore many trademarks of the extremist groups based in Pakistan, notably the Lashkar-e-Taiba, which in the past has benefited from the patronage of the ISI. Whether the Pakistani military is orchestrating the violence or merely shielding its perpetrators, tensions with India are rising dangerously.

Zardari, Benazir Bhutto's widower, realizes that India's enemies in Paki-



Dangerous fault line Indian soldiers patrol along the

stan are also his own: the very forces of Islamist extremism responsible for his wife's assassination were behind the September bombing of Islamabad's Marriott Hotel. The militancy once sponsored by the Pakistani military as a foreign policy tool now threatens to abort Pakistan's sputtering democracy. There has never been a stronger case for firm and united action by the governments of both India and Pakistan to cauterize the cancer in their midst.

Such an outcome is not as implausible as it sounds. Rarely has a Pakistani government been more inclined to pursue peace with India. Zardari has been pushing for greatly expanded trade and commercial links and the liberalization of the restrictive visa regime between the two countries. Indeed, his Foreign Minister was in New Delhi for talks on these issues when the terrorist assault occurred. Zardari had also begun winding down his government's official support for Kashmiri militancy and had announced the disbanding of the ISI's political wing. When he went so far as to propose a "no



border with Pakistan. In early November, Pakistani troops opened fire on Indian positions



What Matters in Mumbai

Follow the personal stories from Mumbai residents at time.com/mumbaivoices

first-strike" nuclear policy—matching India's stance but violating his own military's stated doctrine—Indians began to believe that at long last they had found a Pakistani ruler who understood that normalizing relations would be of great benefit to Pakistan itself. But the Mumbai terrorist assault seemed to confirm that the peacemakers in Islamabad are not the ones who call the shots.

Zardari, for example, stated on Nov. 28 that Pakistan "will cooperate with India in exposing and apprehending the culprits and masterminds" behind the attacks. But this is not an objective unanimously shared in Islamabad. The terrorists and their patrons clearly wish to derail any moves toward harmony between the two countries, as it would thwart their destructive Islamist agenda. They enjoy the sympathy of elements in the military, whose disproportionate share of Pakistan's national budget

would be threatened by peace with India. And Islamabad's civilian government dares not cross the red lines drawn by the military for fear of being toppled. Every civilian Pakistani government, without exception, has been overthrown before the end of its elective term of office.

Pakistan has denied any connection to the attacks in Mumbai, though their meticulous planning, coordination and precision imply a level of direction that no ordinary militant group is capable of. But this time the terrorists may have gone too far. The murderers of Mumbai made special efforts to single out American and British nationals among their hostages, and killed the Israelis running Mumbai's Jewish center. This was clearly not just an attack on India; the assailants were taking on the "Jews and crusaders" of al-Qaeda lore. If it turns out that the massacre in Mumbai was planned in or directed from Pakistani territory, the consequences for Pakistan are bound to be severe. In such circumstances, there would be a "cost" to "our neighbors." Prime Minister Singh said, and India would be likely to find sympathy and

practical support from the countries of these other victims.

Before the attacks on Mumbai, the U.S. had been eager to see a reduction of Indo-Pakistani tensions in the hope—openly voiced by President-elect Barack Obama—that such changes would free Pakistan to conduct more effective counterinsurgency operations against the Taliban and al-Qaeda in its northwestern tribal areas. Washington fears that Indo-Pakistani rivalry will make its own task in Afghanistan more difficult. Obama therefore called a rapprochement between India and Pakistan a key objective of U.S. foreign policy. But he will find few takers in India for continuing a peace process with a government that does not appear to control significant elements of its own military. India will weary of being exhorted to talk to a government that is at best ineffective and at worst duplicitous about the real threats emanating from its territory and institutions.

Ironically, Zardari had proved to be a useful ally of the U.S. In addition to lowering the temperature with India, he was cooperating tacitly with Predator strikes against the Islamic extremists in the Afghan borderlands, much to the resentment of pro-Islamist elements in his military. This cooperation has now been jeopardized by the assault on Mumbai. As tensions with India ratchet up, the hard-liners in Islamabad's army headquarters will have the justification they need to jettison a policy they dislike and move their forces away from the border with Afghanistan, where the U.S. wants them, so as to reinforce the border with India instead.

Washington's frustration is understandable. But with Pakistan denying all responsibility for the Mumbai attacks, India has no good options. All New Delhi can do is demand that the well-intentioned but ineffective government in Islamabad crack down on terrorist groups, dismantle their camps, freeze their bank accounts, and arrest and prosecute their leaders. There is little appetite in Pakistan for such action. And the fear remains that expecting Zardari to fulfill even India's minimal demands might be asking him to sign his own death warrant.

So India seethes with impotent rage. Pakistan belligerently asserts its innocence, and Washington despairs that its task in Afghanistan has just gotten harder. Meanwhile, in Mumbai the fires of a hundred funeral pyres shoot their flames up into a glowering sky. ■

Tharoor's most recent book is *The Elephant, the Tiger, and the Cell Phone*

What Lies Beneath

Will Iraq strut or stumble after U.S. soldiers leave? Dangerous times are ahead for cities like Kirkuk

BY BOBBY GHOSH

FROM THE CRUMBLING Assyrian ramparts of Kirkuk's 3,000-year-old citadel, the giant open-air market snaking around its base seems the very picture of communal harmony: Kurdish, Turkoman and Arab shoppers navigate through narrow lanes, past stalls selling everything from fresh fruit to plastic flowers. My police escort, a Kurd, beams down with pride. "This is the perfect Iraq," he says. "Nobody angry, everybody happy."

At ground level, the market smells of bird droppings and open drains, and the mood is murkier. An Arab vendor of pomegranates loudly endorses my escort's claim that Kirkuk is a microcosm of an ideal Iraq. But when the policeman wanders out of earshot, he hisses, "Don't believe that Kurd. His people want Kirkuk for themselves. When the Americans leave, they will drive us out."

When the Americans leave: over more than five years, that phrase has cropped up in most of my conversations in Iraq. First spoken in hope, then inevitability, it is now uttered with a sense of urgency—and among some, alarm. Under the terms of the status-of-forces agreement ratified on Nov. 27 by the Iraqi parliament, U.S. troops must leave no later than the end of 2011; a referendum next summer could bring that deadline even closer. As the drawdown gathers speed, it will

diminish the U.S.'s ability to influence Iraqi affairs. "Very soon, we will no longer have foreigners to blame for our problems—or to solve them," says Amar Fayyad, a political scientist at Baghdad University. "Iraq will be walking on its own feet."

Will it strut or stumble? When U.S. forces began to pull out of Baghdad and into suburban bases in 2005, the vacuum was filled by al-Qaeda bombers and armed Shi'ite and Sunni militants, who fought a two-year civil war. Now, however, the main vectors of sectarian violence have been turned back, weakened or co-opted. Although there has been no meaningful political or social reconciliation between the sects, their representatives in parliament have learned to form expedient alliances, which will doubtless continue as the parties jockey for power in post-occupation Iraq.

But don't expect peace to break out anytime soon. In a country seething with ancient animosities, it's almost certain that politics will be attended by violence. Ahead of provincial elections in January, there's a potentially explosive Shi'ite-vs.-Shi'ite clash brewing in the south. In Sunni areas to the west and north of Baghdad, a new alliance of tribal sheiks, many of them U.S.-funded ex-insurgents, are challenging the Sunni parties currently in power.



Uneasy truce The citizens of Kirkuk—Arabs, Turkomans and Kurds—



But it is in Kirkuk where the disputes seem most intractable. At its simplest, this is an old-fashioned turf war. The Kurds want the city and its hinterlands to be folded into the northern province of Kurdistan. Turkomans (a distinct ethnic group sharing ancestry

with modern Turks) and Arabs would prefer it to remain outside Kurdish hegemony, in the separate Tamim province. Each group points out that the city was once ruled by its forebears. All know that outside Kirkuk is one of Iraq's largest oil fields. Also at stake is the



buy and sell alongside one another in the ancient market, which is patrolled by Iraqi police



Kirkuk Notebook

See images of Bobby Ghosh's journey to Kirkuk at time.com/kirkuk

streaming in from Kurdistan, all claiming to be returning natives. Many took refuge in or around the city's giant soccer stadium, expecting to be resettled soon. Protecting the shantytowns were the Kurdish militias known as the *peshmerga*, who had fought alongside the U.S. against Saddam. As loyal allies, the Kurds were demanding that the U.S. hand over Kirkuk.

Iraq's U.S.-appointed administrator, L. Paul Bremer, demurred, though he gave Kurds key political appointments. On my next visit two years later, Arab neighborhoods were being depleted as the Kurds sought to drive out Saddam's supporters. Turkomans and Arabs remained adamant that many of the Kurdish newcomers were not Kirkuk natives but had been sent to try to secure a majority before a new census and hence win a referendum, mandated by the new Iraqi constitution, on the city's future.

Today Kirkuk remains in limbo. No census has been taken, and several deadlines for the referendum have passed. There are still nearly 500 families in the soccer stadium. One resident told me that when some kids started a game there, a woman washing her dishes shoed them away, yelling, "Is this the place to be playing games?"

In Kirkuk, more dangerous games lie ahead—when the Americans leave. ■

larger, constitutional question of whether Iraq should have a powerful central government, favored by Turkomans and Arabs, or highly autonomous regions, as the Kurds wish. And finally, there are outside influences: Turkey backs the Turkomans and, with Iran, opposes greater Kurdish power.

The Risk of Civil War

THE KURDS HAVE FREQUENTLY warned that there may be civil war if they don't get their way; there will be if they do, say the Turkomans and Arabs. The closest the communities have come to battle was in late July: after a suicide bomber struck at a Kurdish

demonstration, killing 25, Kurds turned their wrath on Turkomans, though the violence quickly subsided. Since then, a war of words has broken out. Arab politicians in Baghdad were enraged when the provincial government of Kurdistan struck deals with oil companies without consulting Prime Minister Nouri al-Maliki's government; this was seen as proof that the Kurds were trying to grab Kirkuk's resources for themselves.

If Baghdad's Shi'ites and Sunnis can, with some help from U.S. arms and cash, come to terms, can Kirkuk's three ethnic communities

find political accommodation without American assistance? U.S. officials believe it's possible. But there is no clear answer to the question, Who really has the right to decide the city's future? The last official census was in 1957, when the Turkomans had a slight edge over the Kurds, 40% to 35%. In the 1970s, Saddam Hussein sought to reorder the city's demographics by driving out some Kurds and Turkomans and busing up thousands of Arab families from the south.

When I first visited Kirkuk after the end of the U.S. war against Saddam, tens of thousands of families were

A New World Order



Obama's national-security team has talent, experience—and a tendency to disagree on major policy issues. Can it work? Keep an eye on the 6-ft. 5-in. general

BY KAREN TUMULTY AND
MARK THOMPSON

IT WAS HARD TO MISS THE MESSAGE that Barack Obama was sending with the powerful tableau lined up behind him onstage in Chicago. "I assembled this team because I'm a strong believer in strong personalities and strong opinions," the President-elect said of his national-security picks. The top three members of that team certainly fit the description. In Hillary Clinton, Obama is getting a Secretary of State who battled him to the bitter end of a Democratic primary season focused largely on the question of who was better equipped to be Commander in Chief. In bringing in retired Marine general James Jones as his National Security Adviser and retaining Defense Secretary Robert Gates, Obama is turning to two men who might have seemed more obvious choices had John McCain won the White House. And all three were on the opposite side from Obama on the defining foreign policy decision of the past decade: whether to invade Iraq.

What Obama calls strength might sound like a formula for contentiousness or even failure, especially when you consider what happened with George W. Bush's first foreign policy team, which had its share of big personalities too. So fraught with palace intrigue was that arrangement that then Defense Secretary Donald Rumsfeld refused to attend key meetings called by National

Security Adviser Condoleezza Rice. Secretary of State Colin Powell, for all his star power, was all but frozen out of the real decision-making—and the foreign leaders he visited knew it. And Vice President Dick Cheney was a power center unto himself. "You look at the team that George W. Bush brought in, and they also were very talented and experienced people," says Stephen Biddle, a defense expert at the Council on Foreign Relations. "It turned into a disaster because the President did a very poor job managing his staff and couldn't resolve disputes among his people."

The potential for disputes would seem to be even greater for Obama's team, given how its members have disagreed with the President-elect and one another on not only the Iraq war but also a range of other policy fronts that include Iran, Afghanistan, missile defense and the Arab-Israeli conflict. Whatever their differences in the past, however, Obama insists they can work together: "They would not have agreed to join my Administration and I would not have asked them to be part of this Administration unless we shared a core vision."

An improving situation in Iraq has helped bring about that convergence, especially between the incoming President and his future Defense Secretary. During the presidential campaign, Gates



Secretary of Defense Robert Gates

"If a President asks me to help," he says, "I can't say no." Obama will be the eighth one he has served, in roles that have taken him from the CIA to the White House to the Pentagon. Gates won high marks from leaders in both parties in the wake of Donald Rumsfeld's stormy tenure at Defense.

Secretary of State Hillary Clinton

Former First Lady and New York Senator, Clinton is respected in world capitals and by U.S. military leaders. From the Senate Armed Services Committee, she worked cordially with Gates, and she said during the presidential campaign that she could see asking Jones to be her Secretary of Defense.

National Security Adviser, James Jones

The four-star general and decorated Vietnam vet was head of the Marines, NATO and U.S. forces in Europe. Raised in Paris and educated at Georgetown, he once worked for John McCain. But Jones doesn't take political sides: "I don't think any... party owns the issue of national security."

She has also insisted on picking her own team at the State Department, though it helps that she and Obama reportedly have agreed that her deputy should be James Steinberg, an Obama confidant who was also Deputy National Security Adviser in the Clinton White House.

The key to making all this work is most likely to be the man who is the least familiar of the triumvirate. Jones, the 6-ft. 5-in. retired general who will be the chief conduit of foreign policy advice to the new President, was the first Marine to serve as Supreme Allied Commander in Europe and has an Eisenhower-like appeal to both parties. But he was not part of Obama's circle of campaign advisers and reportedly resisted initial overtures to take the job, fearing he could get caught in the kind of infighting that Rice faced when she was Bush's National Security Adviser. Obama promised Jones both the power and the access he needs.

Jones is known for having sharp political skills of his own, which is one reason William Cohen recruited him to be his senior military assistant when Cohen, a Republican, was Defense Secretary in the Clinton Administration. "I wanted Jim because he knew where the bodies were buried," Cohen says. "And I wanted to make sure that mine wasn't among them." What could make Jones' job easier is the fact that both Clinton and Gates respect him. Clinton knows him through her tenure on the Senate Armed Services Committee, and Gates, though he's never worked with Jones, knows him by reputation from their years at the Pentagon. Still far from clear is what role Joe Biden will play in this delicate arrangement. It was largely on the strength of his foreign policy credentials that Obama picked him to be Vice President. And the fact that he will be close at hand in the White House means Biden will certainly have the opportunity to weigh in on important policy questions. But no one expects him to be as big a force behind the scenes as Cheney has been or to seize entire portions of the portfolio for himself.

Of all of them, Gates probably has the best sense of what lies in store. After all, Obama will be the eighth President he has served. "There will no doubt be differences among the team," says Gates, "and it will be up to the President to make the decisions." A powerful team can succeed, but only if everyone agrees who is in charge.

—WITH REPORTING BY MASSIMO CALABRESI AND MICHAEL SCHERER/WASHINGTON ■

criticized Obama's 16-month withdrawal timetable, but now that proposal doesn't look very different from the security agreement the Bush Administration has since signed with the Baghdad government. Nor has Gates offered any resistance to Obama's plan to install his own loyalists in the upper echelon of the Pentagon bureaucracy, which is now staffed largely by Rumsfeld holdovers. "Every new President traditionally fills civilian positions at the Department of Defense," Gates said. "It will be no different now."

As for the future, both Obama and Gates share a belief that there should be less emphasis on military power and more

on using diplomacy and foreign aid to bend other nations toward U.S. interests. One thorny question at a time of economic crisis will be how much of the money for that reorientation will have to come from the Pentagon's budget.

This emphasis on "soft power" does suggest an even greater role for the new Secretary of State. But while she is well known overseas, Clinton understands she will have real influence abroad only if she is seen as having it within the Obama inner circle at home. One of her demands was assurance that she would have a direct line of communication to the President whenever she felt she needed it.



Photograph for TIME by Christopher Morris—VII

"The American people made Ford Motor Company what it is. We have nothing the public did not give us. No surplus exists for personal benefit—every surplus is provided for future use. The future is here, and we are going to do our utmost—risk everything, if necessary—to use this surplus which the public, through its dealings with us, has provided, to see if we cannot make what the country needs most—work, jobs."

—HENRY FORD, FEB. 11, 1932

THIS IS THE THANKS YOU GET FOR CREATING the middle-class Henry. In the throes of the biggest auto swoon since 1931, the headmen of Detroit go hat in hand to Washington to try to keep their once-mighty industry upright for a couple of months and are treated as if they had invented the four-wheel drive subprime mortgage. AIG torpedoes the entire economy and gets a \$150 billion handout. Citigroup takes risks no sane manufacturing company would even contemplate and is rewarded with a \$20 billion bailout. And the car guys?

The Detroit Three recently presented detailed restructuring plans to Congress—an application for

Ford presents a GM plant in Lordstown, Ohio

Is This Detroit's Last Winter?

After 30 years of poor cars and worse management, the Big Three want Uncle Sam's help. Does that make sense?

BY BILL Saporito

loans and credit lines to tide them over until the economy rebounds. U.S. auto sales were down more than 30% in October—even Toyota wasn't spared. Detroit wants \$34 billion to shelter 3 million jobs and \$300 billion worth of business. The first time the companies came calling, on Nov. 19 and 20, Congress blew a radiator. "Even though all Americans want this industry to succeed, I cannot support a plan to spend taxpayer money to bail them out" is the way Spencer Bachus, the ranking Republican on the Committee on Financial Services, got the House hearings going. The incoming Administration is not holding out much hope that Congress can find a solution in the coming weeks. Instead, it is looking at what options—and pots of money—will be available once Barack Obama takes office.

What the CEOs of the Big Three have discovered is a nation suffering Detroit fatigue. Americans may not know squat about collateralized debt obligations, but as a nation we have been defined by car worship. We are angry at our car gods—who for too many years made too many clunkers—because we have owned the Dodge Aries K cars, Mercury Montereys and Chevy Chevettes they produced. So the citizens and the pols are irked to have to throw these companies a lifeline, even though they probably should do it for the good of the economy. An out-of-business GM (or even a bankrupt, reorganized one) is more than just a dead factory here and there. "There are real risks of cascading bankruptcy and then supply-side seizures," Columbia economist Jeffrey Sachs warned Congress, meaning that the ability of all car companies simply to make cars would be in jeopardy. The negative feedback in the supply chain would hurt partsmakers and dealers and even extend to retailers, restaurants and banks. But others argue that bankruptcy is exactly what GM needs, despite the dislocations.

GM, which is burning \$2 billion a month, requested \$18 billion in loans and credit lines—\$4 billion for December. For that money, it will slash the number of plants it runs, the number of brands it makes and the number of dealers who sell them. It proposed cutting its hourly manufacturing costs in half. CEO Rick Wagoner agreed to work for \$1 a year. GM's business is going down fast because consumers are already shying away from a potentially bankrupt company—which is part of

Detroit-Three Math. Too many brands, not enough sales. How can they survive?



- Market cap: **\$2.9 billion**
- Employees: **252,000**
- The company lost **\$38 billion** in 2007

Rick Wagoner
GM's CEO is asking for loans and credit lines of **\$18 billion**. He needs \$4 billion this month and \$4 billion next month to stay afloat.



Market share
Light vehicles

22.2%
2008

28.7%
2000



- Market cap: **\$6.8 billion**
- Employees: **87,700**
- The company lost **\$2.7 billion** in 2007

Alan Mulally
The Ford boss isn't cash-short. But the company wants a **\$9 billion** standby line of credit in case things get worse.



15%
2008

23.5%
2000



- Privately owned
- Employees: **55,000**
- The company used up **\$3 billion** in cash in its last quarter

Robert Nardelli
Chrysler's boss requested an "urgently needed" **\$7 billion** in bridge funding" by Dec. 31, or else he faces an unhappy new year.



11%
2008

14.5%
2000



Source: Ward's AutoInfoBank
2008 data through November

GM's argument for immediate funding.

Ford, which is in much better fiscal shape, asked for a standby credit line of \$9 billion. The privately held Chrysler is going to need a \$7 billion bridge loan, and it's willing to give equity to the government.

Importantly, all three companies promised to make money by 2012, even in a worst-case scenario of selling just 12 million cars and light trucks annually—4 million fewer than in 2007. The key is a revamped portfolio more heavily weighted to smaller cars and crossovers, as well as to hybrids and electrics that are far more efficient than the current fleet. That's crucial because Detroit currently loses money making cars in North America. You see the problem.

Most of these plans were on the drawing board before the global financial collapse made the situation more dire. This, in essence, is a last-chance opportunity. If Congress provides cover, the Detroit Three can try to rescale their manufacturing capacity to their respective market shares—or even below. GM, for instance, has lost 7 market-

share points, falling to 22%, in the past 10 years. It plans to slash costs by an additional \$7 billion by 2012. "It's all about survival," says Van Conway of Conway MacKenzie & Dunleavy, a crisis-management and turnaround firm in Birmingham, Mich.

Resizing the business will alter the number of nameplates that the Detroit Three market and the number of dealers that sell them. GM will sell or close Saturn. Pontiac and Saab could end up joining Oldsmobile and Plymouth in the hood-ornament graveyard because the cost of supporting a brand with a small market share doesn't make sense, nor does maintaining a dealership network created for an era when Chevy and Buick could support separate distribution systems. GM plans to reduce its dealer count 27%, to 4,700. "Certainly, having seven or eight brands for 25% of the market is far more than you need," says Ron Harbour, the partner in charge of consultancy Oliver Wyman's North American automotive practice.

The Detroit Three, in fact, may have

Motor City Relics

A gallery of images captures what has become of Detroit's illustrious past. Go to time.com/detroit

How It Got Here A long-term management failure, GM could not adapt its cars and production system to be consumer-focused and globally efficient.

How to Fix It A new labor agreement will help, as will making its plants more flexible. But GM has to make cars people love so that its price per car—and profit—rises.

How It Got Here After recasting itself as a greener company, Ford got waylaid by the success of its SUVs in the cheap-gas years. When prices soared, it had no great cars to sell.

How to Fix It Ford's future is pegged to producing small- and medium-size cars, including hybrids, that it can design and sell globally. Still strong in pickups.

How It Got Here After a disastrous merger with Daimler, the company was sold to private-equity firm Cerberus. Chrysler's big-truck, big-power posture got hammered by Big Oil.

How to Fix It Chrysler has contracted with Nissan and VW to make vehicles with them. Perhaps a bigger linkup is in order. It needs a partner to share costs.

Best Hope for Future Much is riding on the 40-m.p.g. Chevy Volt hybrid electric, but GM models like the Malibu have to produce too.



Best Hope for Future The bet is on the 2010 Fiesta, the first product of the One Ford strategy. Available in Europe, the U.S. version will be strikingly similar.



Best Hope for Future Chrysler's current new-car program is focused on a small car that will be built by Nissan and on ENVI, its in-house electric platform.



to shrink to two. Chrysler, which burned through \$3 billion in cash in its last quarter and has \$6.1 billion left, is looking for more partners like Nissan, which is already contracted to build a small car for the company. Chrysler's owner—Cerberus Capital Management, a New York City private-equity firm—got a lemon when it bought 80% of the company from Daimler for \$7.2 billion last year. A merger could be a way out.

End of an Era

NO MATTER WHAT CONGRESS OR PRESIDENT Obama does, there is one aspect of the industry that is beyond rescue. The Detroit of the American Dream, the Benevolent Manufacturing State—the big-metal, Big Labor, big-brother, bigger-than-its-bitches Detroit—is deadlier than Studebaker.

The Benevolent Manufacturing State was the self-funded, full-employment, womb-to-tomb society—for autoworkers, auto executives, their families and their communities—that Henry Ford began in

1914 when he hiked the prevailing \$3-a-day wage to \$5. "Fordism" outraged capitalists; Ford viewed it as a way to make cars affordable to working people. His people. The industry sputtered during the Depression, an era that gave rise to the unions, but was revived by wartime production as Detroit's manufacturing capacity became a vital weapon in the Allies' arsenal. Detroit reshaped America, spurring a great migration from the South with the prospect of fair employment for blacks.

The Benevolent Manufacturing State achieved its full glory in the postwar period, a largely supply-driven era when Detroit could sell almost everything it made and could afford to give the United Auto Workers (UAW) most of what it wanted. From Linden, N.J., to Lorain, Ohio, to Long Beach, Calif., to be an autoworker was to have it made; to be an auto executive was to have made it. Detroit, says John Plant, the thoughtful CEO of partsmaker TRW, was about more than just industry: "It's the largest experiment of social re-engineer-

ing that any country has ever undertaken."

The death throes of the Benevolent Manufacturing State, however, have been costly. GM alone has paid out \$103 billion in pension and retiree health care costs over the past 15 years. "The legacy costs were designed in an era when people retired at 65 and died at 66. We weren't wrong to give it to them 30 years ago. Now they retire early and live longer," says Conway.

What is particularly ironic about the Big Three's situation is that the companies are now as near to their long-sought goal of parity with the Japanese firms Honda and Toyota as they are to collapse. In the past couple of years, Detroit has closed the quality gap. Its cars are competitive on engines and drivetrains and fits and finishes. Some top-class products score well with car rater J.D. Power, such as the Cadillac CTS and Ford's new F-150. "What exposes us to failure now is not our product lineup or business plan or our long-term strategy," GM's Wagoner told Congress. "What exposes us to failure now is the global financial crisis."

Next year, workers at Ford plants will earn an average \$53 an hour with benefits, the result of a breakthrough industry agreement worked out with the UAW in 2007. That's close to the \$49 an hour that workers at the transplants average and far below the \$71 an hour with benefits that was the old UAW wage, and that was cited by Alabama Senator Richard Shelby as a reason to oppose any bailout. And the cost differential on enginemaking between Detroit and the transplants will narrow to a couple of dollars by 2011. "You want to just choke these guys [in Congress] and take them through the 60 plants that I've been through and see what I've seen," says Harbour.

But timing is everything. So why did it take Detroit 30 years to catch up? "Either the crisis isn't big enough or the vision isn't persuasive enough," says John MacDuffie, a manufacturing expert at the University of Pennsylvania's Wharton School of Business. Instead, during those years, the domestic auto industry has been a slow leak, skidding from one restructuring to the next, chasing its declining market share as its costs have inflated.

How the Big Three Blew It

OF ALL DETROIT'S FAILURES—THE FAILURE to master small cars, failure to cut costs, failure to get tough with the UAW, failure to improve fuel efficiency—the failure to learn, says MacDuffie, is perhaps its worst sin.

Experts point to GM's interaction with Toyota at the New United Motor Manufacturing Inc. (NUMMI) plant in Fremont, Calif., as emblematic of the industry's learning disability. NUMMI was estab-



Bottom line A worker assembles a Cadillac in East Lansing, Mich. GM deserves credit for bringing down plant costs, but it needs to work on flexibility

lished in 1984 as a joint venture between the two companies, using GM's plant, the Toyota production system and the UAW workers who were already there. The plant had been one of GM's worst; the Toyota system made it one of GM's best.

Detroiters made the pilgrimage to Fremont en masse to see the miracle of NUMMI. Some dismissed what should have become a model for the entire industry. True, the technology wasn't that innovative. But Toyota had made the workforce integral to improving the system. Workers were not mere labor inputs. GM had no problem understanding the just-in-time inventory system Toyota used, but executing it required a buy-in from the shop floor so that everyone was dedicated to improvement. The Toyota system, says MacDuffie, "relies on contributions from employees. It feels vulnerable, but your willingness to be open to that vulnerability is what helps you make it work." In the 1980s and part of the '90s, the top-down culture of the Big Three could not absorb that kind of deep trust.

MIT senior lecturer Steven Spear, a lean-manufacturing specialist who has worked on production lines at both a Detroit Three and a Toyota plant, says the problem worsened over the years as products and manufacturing inevitably got more sophisticated. Merely upgrading a Toyota, he says, requires 300 man-years of engineering. No single

manager can ever understand it. "Figuring out products, markets, customers, designs, systems—what's inherent about anything complex is that it becomes impossible. You can't design it perfectly," he says. What matters, he argues, is swarming problems from every direction to create high-speed, low-cost discovery and learning. And when you extend that open approach to suppliers, the path to lower-cost, better-functioning parts becomes easier too.

Management in a Mess

DETROIT'S CORPORATE CULTURE IS OBVIOUSLY complicit in the industry's deterioration, just as it was guilty of creating an unparalleled manufacturing system decades earlier. The Detroit approach has been plan-command-control, stemming from that original control freak, Henry Ford. At GM, a management hierarchy that had been

created by GM's master planner, Alfred P. Sloan, in the '20s—GM's first and most successful restructuring—was still functioning in the '80s. Management's job was to create the products, design the production system and provide solutions if there were problems. Everyone else followed orders.

Failing to cure themselves of the Not Invented Here disease, Detroit's bosses resorted to Hail Mary attempts to fix what were long-term issues. "They were constantly looking at buy, sell, hire, fire, looking to be rescued from their predicament," says Spear. On the buy side, GM CEO Roger Smith acquired Hughes Aircraft, EDS and a 50% stake in Saab. His successors bought the Hummer, 20% of Korea-owned Suzuki and 20% of Fiat with the obligation to buy it or pay to get rid of it. (The latter course was chosen, at a cost of \$2 billion.)

Ford's owners have always had a difficult relationship with the hired help. Henry Ford II fired everybody, says Noel Tichy, a professor at the University of Michigan's business school—including Lee Iacocca. Jacques Nasser, named CEO in 1999 to reinvent Ford, bought Volvo and Land Rover to create a luxury portfolio; he saw Ford as more than an auto company and tried to overhaul the culture. He was ousted in 2001 by Bill Ford Jr.—great-grandson of Henry—who took back the wheel for a couple of years.

'It's the largest experiment of social re-engineering that any country has ever undertaken.'

—JOHN PLANT, CEO OF PARTSMAKER TRW

Trip to Yellowstone
Vince's Birthday
Kyle's First Steps
Beth's Graduation
Cruise to Alaska
Laura's Wedding

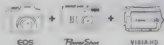


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UNLEASHING THE POWER OF CONNECTIVITY IN HEALTH CARE.

A health care crisis of communication.

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Handicapped by a paper-based information non-system that just about every other industry has left behind, health care is in a massive communication morass that cries out for technological intervention and help.

Connectivity. The overdue next step.

Caregivers should be linked to one another for every patient. Patients should have consistent access to both caregivers and medical information. The 21st century health care system should build a continuous loop of information around the patient that will give clinicians secure access to all data, on all relevant patients, all of the time.

The power and value of complete connectedness should be self-evident. Full and secure access to data will give physicians visibility into patient status and health history, improving diagnosis and delivery of care. Information retrieval that took days, will take minutes. Or less.

The future system should open unprecedented new diagnostic tools. Physicians should be able to instantly share imaging and test results with colleagues across the hall or across the country. Patients should have instant access to their own records and be able to send, transmit or carry it from one provider to another. Secure, computerized data sharing can reduce errors, redundancies, lost information and costs.

A culture of continuous learning and connected care.

Today, we're a mobile and connected society in everything except healthcare. At Kaiser Permanente we believe in a future healthcare system where patient information is accessible, instantaneous, constantly

improving, secure and accurate. And we've invested \$4 billion to build and install a system that we believe this generation of patients and caregivers needs.

Our integrated system now connects 8.6 million members with their clinicians. It allows care to be focused on the patient. Our clinical teams are using our new systems and processes to help prevent manageable diseases from becoming life threatening crises. In one computer supported pilot study, we reduced coronary artery disease deaths by 76 percent.

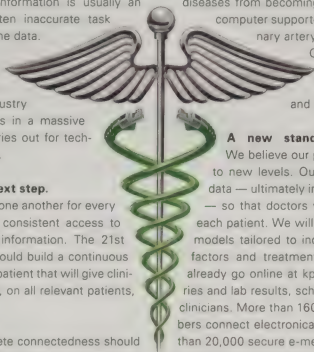
Chronic conditions like coronary artery disease account for 75 percent of healthcare costs and most deaths.

A new standard of personalized care.

We believe our path will take personalized care to new levels. Our goal is to use a full array of data — ultimately including secure DNA databases — so that doctors will be able to focus better on each patient. We will also use customized computer models tailored to individual patients to predict risk factors and treatment benefits. Our members can already go online at kp.org to view their health histories and lab results, schedule appointments and e-mail clinicians. More than 160,000 Kaiser Permanente members connect electronically every day — including more than 20,000 secure e-messages between clinicians and patients every single day.

Maximizing information for the clinician means optimizing care for the patient. Done well, we believe a computerized care support system can help both to restore and enhance each physician's original mission. The right system provides more time with patients, better information about care and less time with traditional paperwork. The right system also needs to be focused on the patient's need for affordable, well informed, customized and compassionate care. We believe new computer systems are needed to lead our nation's health care reform agenda into the 21st century. For us, right now, it's a work in progress and progress is being made.

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KAISER PERMANENTE.

The price of halfway restructurings was steep. In 1985, GM aped Japan's practice of building global cars—the idea was to share chassis and parts across brands, a strategy that made sense at the engineering level. At the consumer level, it was a disaster. Internal clashes for control removed imagination from design, resulting in look-alike Buicks, Oldsmobiles and Pontiacs. Sales declined; cue another restructuring. The Germans, who have their own auto culture, were no match for Chrysler after they bought the company in 1998. No wonder they gave it back.

Yet there were the occasional hits that demonstrated Detroit's deep pedigree in engineering and design. Chrysler, desperately surviving on a government-guaranteed loan, created the minivan in 1984. That same year, it launched the first modern sport-utility vehicle, the Jeep Cherokee. Throughout it all, Detroit kept its dominance of the hugely important pickup-truck market—and does so to this day.

But overall, if you build the cars you can make rather than the cars the public truly desires, you have to price them that way and use rebates to move the metal off the lots. "They are building cars that they don't want to build. They have to build them because they have a fixed cost structure to amortize," says Nick Gidwani, a former auto-industry investment banker with Sankaty Advisors and now head of the startup auto-sales website CarZen. Particularly after the post-9/11 sales slump, Detroit got addicted to this strategy and used it to move plenty of SUVs.

The ensuing rise in gas prices and drop in sales underscored another weakness. Although gas-eating SUVs found a sweet spot in the U.S., for Detroit to assume a world in which gas prices would remain below \$2 a gal. was asinine. In Europe, gas had long sold for more than \$5 a gal., and tax policy ensured that it would stay there; the growing BRIC countries—Brazil, Russia, India, China—were driving up demand. Detroit's response was to lobby furiously against increasing fuel-economy standards instead of building more-efficient SUVs.

What's Next

THE IRONY ABOUT BEING CALLED ON the carpet in Washington is that Detroit actually has a fairly clear idea of where it's going. Ford, for instance, under the leadership of Alan Mulally, has rationalized the company, dumping Jaguar, Aston Martin, Land Rover and some of its stake in Mazda. Volvo may be next. "We have streamlined all of the brands to focus on Ford," he says. Ford wants to be able to create small- and medium-size cars around the world from a single global blueprint. The initial product of the One Ford strategy is the much anticipated



Twilight A GM factory after hours; the era of the Benevolent Manufacturing State is over

Fiesta. It was designed in Europe and is due to arrive in the U.S. in late 2009 substantially unchanged. "Ford can win market share in small cars again," says Harbour. There's also a new Fusion and a new Taurus, long overdue, and upgrades to other models. As part of its 2006 strategy, called "The Way Forward," the company has already closed 17 plants and shucked 51,000 workers.

Chrysler is a bit of a mystery. CEO Robert Nardelli has been somewhat scant on details for new products other than announcing an electric-vehicle platform that has so far not impressed anybody. No one would be surprised if Cerberus, Chrysler's owner, announced some kind of partnership or merger before the year is out.

As for GM, its current crop of autos, including the revived Malibu, is the strongest of the Detroit Three's fleets in North America, but it is still truck-heavy. Globally, GM is expanding in Russia and China; it is a solid performer in Europe and South America. With the advent of the Chevy Volt in 2010, the company will be in a position to lead the industry into hybrid-electric and then fully electric vehicles. "There's enough good product in the pipeline," says MacDuffie. "Judged against the past, it's really impressive."

'They were constantly looking at buy, sell, hire, fire, looking to be rescued from their predicament.'

—STEVEN SPEAR,
SENIOR LECTURER, MIT

The most important issue is cutting Detroit's output to an appropriate level. "What we would tell a client who went from 30% to 20% [share] and they say, 'We're modeling now at 20%', I'd say, 'Let's model it at 16%,'" says Conway. Scaling below capacity doesn't mean you give up on 20% or even 22% share—you can add shifts, for instance, to boost output.

Reducing capacity could also go a long way toward solving Detroit's revenue problem. Between Detroit and the transplants, there are around 17 million units of manufacturing capacity in the U.S. In 2007 vehicle sales hit 16 million, but about 2 million of those were driven by the combination of easy credit and discount pricing. In a normal economy, the true size of the business may be closer to 15 million units. The Detroit Three simply have to generate more revenue per car and, not incidentally, a profit. Right now, the revenue gap per car is \$4,000 vs. Toyota.

The competition hasn't stood still, of course. Japanese and German makers continue to improve their products, and the U.S. customers they have won over will be hard for the home team to get back. Even as the Big Three have closed the distance over manufacturing, drivetrain and other engineering issues, another has opened up. The transplants have moved on to the sensual: the quality of materials, the look and touch of dashboard knobs, the sound a door makes, the feel of seats. Craftsmanship is the new point of difference. "The Japanese have figured out, How do we reduce friction?" notes Gidwani. "Now they are going to have to catch them in a new area."

The real catch, though, is whether American taxpayers are willing to give the Big Three the chance. ■



ECONOMY

Still Waiting for The Renaissance

In Michigan, the death of the auto industry has been going on so long, it's become a way of life

BY JAMES PONIEWOZIK

IF YOU GREW UP IN SOUTHEAST MICHIGAN in the past four decades, as I did, you were raised among reminders that things used to be better, once, before you came along. The empty factories. The abandoned blocks in Detroit. The grade-school U.S. maps with the retro pictures, on Michigan's mitten, of Model T's and '57 Chevys. The headlines from the 1970s read like the headlines of 2008: The mayor of Detroit was in trouble. The Lions were losing. And the auto industry was disappearing.

When a state lives with a story line of decline for so long, it doesn't just affect the mood. It becomes part of the culture. Whereas America's history has been one of expanding horizons, yours has become funnel-shaped. Much like the postbellum South, Rust Belt culture looks backward at an idealized past—a nostalgia not for

plantations but for three-bedroom houses paid up on blue collar salaries.

"It used to be you could get a job at one of those factories, even without an education, and make a decent living to support your family," says letter carrier Dina Schueller, 33, of Saranac. Now her husband has been laid off from his construction job, and her brother moved to Maryland for work. Like many left-behind Michiganders, she'll be seeing fewer family members this season. "Christmas was always his favorite holiday," she says of her brother. "He was always the first one up."

I can understand why people in other parts of the country (like some in Michigan) hate the idea of bailing out Detroit. Why pay for other people's mistakes? Is making cars any more American than any other business? Jobs are globalizing and in-

dustries are transforming in every sector. What's so damn special about them?

On the other hand, who ever aired a commercial linking baseball, hot dogs, apple pie and washing machines? When were you ever told, "It's not just your flat-screen TV. It's your freedom"? This is not an argument for the bailout. But it is to say that when the country turns away from you as the maker of a symbol—well, it feels personal.

Michigan, after all, did not romanticize the automobile by itself. We made the cars; the mythology of open-road optimism was an after-market accessory. It was the work of advertising agencies in New York that rhymed U.S.A. with Chevrolet; Californians like the Beach Boys and George Lucas, who made *American Graffiti*; New Jerseyans like Bruce Springsteen, who sang about pink Cadillacs, Chevrolet Deluxes and suicide machines sprung from cages out on Highway 9.

Michigan's own relation to car culture tends to be more wistful. After the Motown era, which more or less coincided with the end of Detroit's glory days as a city and an industry, you have to look hard to find songs by Michigan musicians about driving. Instead, Bob Seger—Michigan's Springsteen, who gave Chevrolet its "Like a Rock" slogan—reminded about the backseat of his '60 Chevy in "Night Moves" and sang "Makin' Thunderbirds" about workers building Ford muscle cars in 1955: "They were long and low and sleek and fast/ They were classic in a word."



The GM Renaissance Center, background, was meant to revive Detroit a decade after the 1967 riots

That nostalgia is what's Michigan about Seger—just take those old records off the shelf. I'll sit and listen to 'em by myself. You hear it in the retro-rock of Detroit bands like the Von Bondies or the White Stripes (who recorded the autoworker anthem "The Big Three Killed My Baby"). And you hear its flip side in Eminem, whose movie *8 Mile* was about a guy trying to escape his Detroit trailer park. His ticket out is rap, not the assembly line, but his defiance is as American as any ode to Chevys: "Success is my only m_____ f_____ option/ Failure's not."

IRONICALLY, WHETHER OR NOT AMERICA stands by the car companies, and whether or not the car companies stand by their workers, Michigan still stands by the car companies. When my dad, not an autoworker but a union guy, needed a new car, he would go to Art Moran's dealership in Southfield, Mich., and come back the same day with whatever sedan Pontiac was making at the time. There was no shopping around, no consulting *Consumer Reports*. Car-buying, American-car-buying, was instinctual, habitual.

Even now, when I drive my Toyota-made Scion XB—sorry, Dad—from New York to Michigan, I can see the import logos dwindle as I go up I-75. The car culture is hardwired. You want to visit Detroit, you drive; there's no suburban-train system, as there is even in L.A. The only public-transit rail is the People Mover, a system that travels in a small circle downtown, stopping

at the Renaissance Center—the gleaming hotel-and-office complex whose name has promised a turnaround, someday, since 1977—and near the Greektown casino, one of three that sprang up in 1999-2000. (This spring the casino filed for bankruptcy, its adjacent hotel looming over it unfinished.)

Michiganders are not blindly loyal. Chrysler worker Nathaniel Wilkerson, 55, gets angry at bosses queueing up for a bailout while planning pain for the assembly line: "Upper management was just lining their pockets. Now it's come back to bite them, and we have to suffer." They're not blind to the ironies of protecting the "American" auto industry, when "domestic" cars may be made overseas and "foreign" cars in the U.S. And in Michigan, like everywhere else, Walmart—and its cheap, cheap imported products—abounds.

Still, the pull of Buy American is powerful. In Flint, blighted by auto industry outsourcing, 96% of drivers drove domestic cars, according to a 2002 study—the highest rate in the nation. During the presidential campaign, the Obama camp aired an

ad in Michigan attacking John McCain for owning three foreign cars. The spot may not have done the job single-handedly, but little more than a week later, the McCain campaign pulled out of Michigan.

Obama made one of his biggest campaign missteps when he said that people "get bitter [and] cling" to guns, religion and antipathy in depressed regions like the Rust Belt. But behind his condescending phrasing was a truth. When concrete reality is so hard to change, culture and symbolism are all the more important. You want to believe in the place where you live. If you grew up in Michigan and chose to stay, it's for deeply felt reasons: your family, the Midwestern lifestyle, the natural beauty, Detroit's industrial charm. You stick by Detroit—even if Detroit, as an industry, hasn't stuck by you. You need to hope.

Michigan hoped again in the late '90s, when the SUV boom was briefly boosting the car companies and a new owner came in to renovate the Renaissance Center. The fortress-like concrete beams around the complex were torn down, opening it to Detroit's streets. And the new owner put its corporate headquarters in the towers, staking the center's future to its own and placing a bet on Detroit.

That new corporate tenant? General Motors, now fighting annihilation. The Lions? They're zero and 12. And the renaissance? Pushed back again. Just like old times. —WITH REPORTING BY JOSEPH SZCZESNY/DETROIT AND MAGGIE SIEGER/GRAND RAPIDS

When a state lives with a story line of decline for so long, it doesn't just affect the mood. It becomes part of the culture



Extra Money

To read Justin Fox's daily take on business and the economy, go to time.com/curiouscapitalist



Kill the 401(k)?

A few scholars and politicians think its time has passed. They may be right

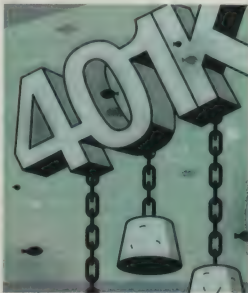
TERESA GHILARDUCCI HAS ALWAYS HAD more interesting—and controversial—things to say than your average retirement-policy wonk. An economist who moved this year from the University of Notre Dame to the New School for Social Research in New York City, she has railed for years against the decline of the traditional pension. She recently wrote a book subtitled *The Plot Against Pensions and the Plan to Save Them*; the less contentious main title is *When I'm Sixty-Four*.

Still, as she sat at the witness table on Oct. 7 at a hearing of the House Committee on Education and Labor, running through the litany of what's wrong with the 401(k) and other defined-contribution retirement plans—they have high fees, for one—Ghilarducci didn't think she was courting controversy. "I was saying things that seemed completely milquetoast," she recalls. Ghilarducci did bring up a bold proposal to replace the 401(k) with a mandatory, government-run pension plan and suggested that Congress immediately allow retirees to swap 401(k)s battered by the stock market's collapse for monthly payouts from the government. But she had floated both ideas before, to little effect.

This time, all hell broke loose. Her proposal caught the attention of talk-radio juggernaut Rush Limbaugh, and over the next few weeks Limbaugh hammered on Ghilarducci's idea as a Democratic plot to kill the 401(k). "McCain has gotta tie Obama to these people," he said on the air. Republican presidential candidate John McCain did try, but only perfunctorily. It didn't help him much on Election Day.

Even participants in the best-run retirement funds face the risk that the market will tank—as it has done this year—when they're close to retirement

Limbaugh has since dropped the subject, but it is far from dead. In fact, it's evolving. While Limbaugh took care to describe Ghilarducci's proposals correctly even as he castigated them, word has since spread, and warped, in some conservative circles of a purported Democratic plan to confiscate 401(k)s. Ghilarducci, who thinks existing accounts should be grandfathered under any new scheme, says she's still being swamped



with e-mail from people berating her for trying to steal their money. (That's Wall Street's job, isn't it?)

Meanwhile, Ghilarducci's long list of 401(k) deficiencies hasn't gotten any shorter, and the Democrats, who as of January will dominate Washington, may just try to do something about them.

The 401(k) gets its name from a section of the Internal Revenue Code that, a clever benefits consultant discovered in 1980, could be used to build tax-sheltered employee retirement plans. It was at first seen as a supplement to the existing system of workplace pensions, but during the 1990s the 401(k) largely replaced pensions in the private sector.

Therein lies the problem, or problems.

Unlike pensions, 401(k)s are voluntary, and many workers either don't participate or don't set aside enough money to give them a shot at a comfortable retirement. Those who do save enough often bungle their investment choices. Those who choose well pay higher investment fees generally than pension funds do. Even participants in the best-run, lowest-cost retirement funds face the risk that the market will tank—as it has done this

year—when they're close to retirement. At retirement comes another issue: pensions insure against the risk that you'll outlive your money, because they pay until you die; 401(k)s don't. And finally, the tax breaks built into the 401(k)—about \$80 billion a year—fall mostly in the laps of high earners.

The one big positive of the 401(k) is that it's portable, while most pensions aren't. But on balance, there's widespread agreement among those who study retirement matters that the 401(k) has so far proved a less-than-adequate replacement for disappearing corporate pensions. "It may be a good tax-free-savings system for wealthy individuals," sums up George Miller, the California Democrat who chairs the Education and Labor Committee and plans to spearhead a re-examination of the 401(k). "It may not be the best retirement-savings system for working families."

That leaves the question of just what the best retirement-savings system for working families might look like. There have been several proposals (including one by Barack Obama during the campaign) to create modestly subsidized, automatic IRAs, at least for the more than 50% of private-sector workers who don't have access even to 401(k)s. Ghilarducci wants more—a government-run plan, financed in part by the end of the 401(k) tax deduction, that would guarantee a 3% return above inflation. Don't think that's a good deal? Fine. But remember that for most Americans, the 401(k) isn't either. ■

THE BATTLE FOR OIL, WILDLIFE, SURVIVAL.

PLANET IN PERIL

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Dying for A Drink

Our watery world is drying up fast. There are ways to save what we've got, but we must act—and act fast

BY BRYAN WALSH

WHEN THE PLANNERS OF LAS Vegas peered into the future in 1950, they projected that the desert city's population—then 25,000—would be lucky to break 100,000 by the end of the century. As it turned out, they were off by a factor of 19, and as you leave the sizzling Strip—the iconic center of this metropolis of 1.9 million people—for the Lake Mead reservoir, 65 miles to the northwest, you can see the source of all that growth. In a city that receives just 4 in. of rain a year, residents in the sprawling housing developments where much of the Las Vegas population lives use an average of 165 gal. of water a day—and 90% of that comes from Lake Mead, the reservoir created by Hoover Dam in 1935. Lake Mead holds Nevada's 130 billion gal. share of the Colorado River's flow, split with six other states in the West—and for decades, says

Pat Mulroy, head of the Southern Nevada Water Authority, "we'd assumed it was virtually drought-proof."

It's not. Through air that shimmers in the blast furnace of a July day, you can see how far Mead's water level has fallen. White bathtub rings of mineral deposits, measuring high-water marks that grow less high every year, circle the edges of the reservoir. Today Mead's water level is 1,108 ft., down from more than 1,200 ft. in 2000. (The official drought level is 1,125 ft.) If the water continues to decline, says marine geophysicist Tim Barnett of the Scripps Institution of Oceanography, "buckle up." Barnett co-authored a study estimating a 50% chance that a combination of climate change and increased demand could render Mead effectively dry by 2021. Mulroy doubts Barnett's dire conclusion, but she knows Las Vegas—and the world beyond—faces an existential crisis over water. "This is about being able to survive as a human being," she says.

The reason for the world's growing water woes is evident in the numbers. The planet fairly sloshes with water—326 quintillion gal. of it—but only 0.014% of that is available for human use. The rest is nonpotable ocean water or inaccessible freshwater, most of it frozen in polar caps. And the available water we do have is far from evenly distributed. About 1.1 billion people have no access to clean water, and

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In dry dock Near what used to be the Lake Mead Marina, an abandoned boat floats no more; 90% of Las Vegas' water comes from Lake Mead



Don't spill a drop In the Govindpuri slum of New Delhi, above, a water truck makes its daily visit. In Australia, right, the world's driest inhabited continent, Rodney Grosser tends his melon patch

half the planet lacks the same quality of water that the ancient Romans enjoyed. And while the amount of water on the planet remains fixed, the number of people drawing on it does not. The world's population could grow from 6.7 billion to more than 9 billion by 2050, according to U.N. projections. Much of that growth will be in countries that are already water poor. Not only will those extra billions need to drink, they will also need to eat—and agriculture sucks up two-thirds of the world's water. They will need electricity too, and in the U.S., nearly half the water withdrawn on a daily basis is used for energy production—to turn the steam turbines in coal plants, for instance.

What's more, none of that includes a new X factor: global warming. Some areas of the world will grow wetter as a result of climate change, but others will grow drier, and so far the drying is winning. The area of the earth's land surface classified as very dry has doubled since the 1970s; by 2050, the Intergovernmental Panel on Climate Change believes, that trend will worsen. "You do the math, and it gets a little scary," says Stuart Minchin, a water expert with the Australian Commonwealth Scientific and Research Organization.

If the amount of water on the planet can't be changed, the way we use it has to. Water is wasted in rich countries and poor ones, in irrigation and industry, in bottles and pipes. "We're waking up," says Peter Gleick, head of the Pacific Institute, an environmental group based in Oakland, Calif. "But not fast enough."

In Australia, the wake-up call can no longer be ignored. Since 2002, the world's driest inhabited continent has been in the grip of the worst drought in its recorded history. In Melbourne, you're no longer allowed to fill your swimming pool, and in bone-dry Brisbane, residents aren't allowed any external water use without a permit. But the real pain has been borne in the Murray-Darling River Basin in southern Australia, the heart of the country's \$30 billion agricultural economy. Even in good times, Murray-Darling receives as little as 10 in. of rain a year, but 70% of the country's irrigation resources flow to the basin, creating a fertile desert able to produce 1.2 million metric tons of water-thirsty rice, among other crops.

The good times, however, are gone. Last year the government allocated zero irrigation to the basin's farmers, and they produced just 18,000 metric tons of rice, the lowest yield since 1927. "No one around here has ever seen conditions like this," says rice grower Les Gordon, standing on the cracked ground of his 4,000-acre farm near the town of Barham.

The crisis is more than just Australia's problem. The collapse of the country's harvest contributed to a doubling of the price of rice this past spring, which in turn led to food riots in countries like Indonesia, the Philippines and Egypt. And that's the real impact of water scarcity—food scarcity. It takes 150 gal. of water to grow a pound of wheat, up to 650 gal. for a pound of rice and 3,000 gal. to raise the equivalent of a quarter-pound of beef.



With even the most aggressive plans to reverse global warming likely to take years to produce effects and population growth not likely to slow appreciably soon, the only answer is vastly improved water efficiency. That's where dry Australia is leading the way. In northern Victoria state, the government has launched a five-year, \$1.3 billion project that will overhaul the region's century-old irrigation system, using computer-controlled channels that should significantly cut down on water waste, which today can reach 30%. "It's extracting the most benefit we can from the water we have," says Murray Smith, who heads the Northern Victoria Infrastructure Renewal Project.

Still, for all Australia's water worries, citizens there don't yet need to fear that when they turn on the tap nothing will come out. That's not the case in India, even in the capital of New Delhi, which supplies



World Water Crisis

For a photographic survey of a threatened vital resource, go to time.com/water

draining the country's deep groundwater, or aquifer. Wells that once hit water at 20 ft. now need to go 80 ft. or deeper. New Delhi groundwater levels have declined 15% to 20% over the past several years. With almost no connection between the amount of water used and its cost, there is little incentive for rural farmers to stop drilling wells or for urban residents to conserve. "The price of water is a very important mechanism," says Ahmad.

In parched Las Vegas, Mulroy knows price is one of the best tools at her disposal to control the city's growing thirst. In the spring, officials approved a staggered rate hike that increased prices for low-volume users 17% and for the highest-volume users more than 30%. The city has also unleashed its water cops—officials like Dennis Walker who ride around sprawling new housing developments looking for violations of outdoor-water-use laws. Sprinklers are illegal during the daylight hours, and homeowners have to use a misting system rather than simply hose down the grass. Through ignorance or obtuseness, however, not everyone has gotten the message. At one house, Walker catches a sprinkler spraying a rock garden, the water leaking onto the boiling hot asphalt street. "That's pretty egregious," he notes laconically. He films the incident, with the time and date, and checks the address online to see if there are any prior violations. Fines can exceed \$1,000 for multiple infractions.

All these policies are having an effect. From being one of the most wasteful cities in the U.S.—in the 1980s, Las Vegas used almost twice as much water per capita as did far wetter New York—Vegas may now get more economic bang for its water than any other place on earth. Though the city has grown by 300,000 people since 2002, it uses less water today than it did six years ago, and leakage is below 5%. "Failure is not an option," says Mulroy.

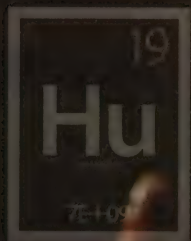
The same is true for the rest of us. In the past century, we treated water as if it were inexhaustible. But that illusion has dried up. The only way to thrive in a warmer, thirstier world will be to learn to get more out of less. "We have the time to change," says Scripps' marine geophysicist Barnett. "Do we have the will to change? I don't know." —WITH REPORTING BY JYOTI THOTTAM AND MADHUR SINGH/NEW DELHI AND DANIEL WILLIAMS/SYDNEY ■

about 200 million gal. a day less than its population requires. Water is a worry, not just for poor Indians but also for middle-class ones, like R.K. Sachdev, a retired civil servant who lives with his wife in an upscale development in the city's southwest. "Every morning when I get up, my main worry is water," his wife Kusum says. Near the entrance to their flat, they keep a 265-gal. storage tank—locked to prevent theft. The couple are awake by 6:30 a.m. to ensure that the municipal supply is running, and they use an ultraviolet filter to purify water intended for drinking or cooking because contamination is constant.

In New Delhi's bursting slums, residents are often left to fight for buckets of water delivered via trucks, a process that is time consuming and expensive. The Sachdevs pay less than 2¢ per 26 gal. of water; the poor might pay that for a single quart from a private truck or even more

for bottled water. "The rich end up paying just a fraction of the price to water their lawn than the poor do just to stay alive," says William Fellows, the regional water, sanitation and health adviser for UNICEF/South Asia. Worse, waste of the little water that is available is rampant. New Delhi loses as much as 50% of its water through leakage and other forms of inefficiency. It is a pattern repeated throughout the ill-planned urban areas of the developing world. "These cities are leaking buckets," says Junaid Ahmad of the World Bank.

The probable increase in yearly monsoons related to global warming should provide at least some new water, though out-of-control flooding will pose its own dangers. But the only other alternative comes from underground—and here India may be digging its own grave. There are now 23 million wells across India, up from 2 million 30 years ago, and those wells are





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OSCAR DE LA HOYA, SPORT, PAGE 55

Life

FOOD FIRST PERSON SPORT USER'S GUIDE GOING GREEN



FOOD

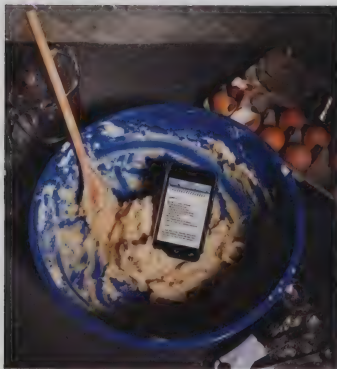
Ditch the Cookbooks.

Recipes go mobile on the iPhone and other handhelds

BY ANITA HAMILTON

THE LATEST GIZMO FOR adventurous home chefs is something millions of us already use every day: a handheld computer. That's right. You may think of your iPhone or Nintendo DS as just a phone or gaming device, respectively, but both have speedy processors and lovely displays that make them nifty interactive cookbooks. Even T-Mobile's Google phone has a video cooking program that makes recipes on paper feel as flat as day-old pancakes.

Sure, old-fashioned cookbooks are nice to look at, but they eat up too much counter space and can't compete with the ever-expanding trove of recipes online. And getting recipes off websites like Epicurious and food blogs like *Simply Recipes* and *101 Cookbooks* can leave you with a haphazard pile of printouts. The solution? Handheld devices not only let you browse hundreds of recipes on the go but also create electronic shopping lists you can easily tote to the store. And if



perchance your handheld falls into the cookie batter (as mine did), you can wipe it clean with a sponge.

Of the three handhelds with cooking applications, the iPhone has the biggest selection of recipes. With more than 30 cooking programs to choose from in Apple's App Store, you can zero in on anything from Crock-Pot specials to vegan treats. I clicked on one app, Post Imagineering's no-frills Christmas recipes, which downloaded to my phone in seconds for 99c. And though the thumbprint cookies I made from it got rave reviews, it was mildly annoying to have to tap the screen every few minutes to get it out of power-save mode while I mixed, beat and rolled my cookie dough.

I didn't have to do as much tapping on the Nintendo DS's \$20 Personal Trainer: Cooking title, which responded to voice commands like "Continue" and "Last step." But the device mistook the sound of potatoes being chopped (for a tasty gratin) for a voice command and kept politely asking, "Excuse me?" and "What was that?"

The biggest disappointment, however, was the DS program from hunky celebri-

chef Jamie Oliver. His \$30 *What's Cooking?* felt half-baked. While I loved listening to Oliver's British accent and pondering his inspired recipes, he only briefly introduces the dishes and does not talk you through their preparation, which you have to read about onscreen instead. And the brownies came out literally half-baked—I had to leave them in an extra 10 minutes to get them to merely gooey. But they tasted great.

My favorite cooking app ended up being a free one for the Google phone called *Cooking Capsules*. Each of the six dishes comes with an excellent how-to video, a grocery list and clear instructions. As with the DS titles, you can check off each item on your shopping list as you put it in your grocery cart. And a slider lets you adjust quantities for more or fewer people. I made halibut steamed in parchment paper, and it came out perfectly.

If, on the other hand, you'd rather just play at cooking with a handheld, *Majesco's Cooking Mama* and *Cake Mania* games for the DS let you try your hand at new recipes—minus the dirty dishes and, of course, the tastings. ■

FIRST PERSON WITH:

Cutout Dissection.com, animal-rights activist, 19

Fights to save the 6 million vertebrates dissected yearly in U.S. high schools

Hi, How Are You? My Name Is Cutout Dissection.com

DISSECTION, THAT FORMALDEHYDE-INFUSED RITE OF PASSAGE for biology students everywhere, has a new and very committed opponent. This fall, Jennifer Thornburg, 19, changed her name to Cutout Dissection.com, which is also a protest site maintained by PETA, where she is an intern. **BONNIE ROCHMAN** asked the Norfolk, Va., resident about championing her cause.

Has the name change made people treat you like a weirdo?

The woman at the DMV had a really interesting look on her face, like it was rude to ask, but she finally did, and I was able to tell her all about dissection. It was awesome. No matter what I have to put up with, animals have to put up with so much more.

What are the alternatives to dissection? *There are computer simulations, 3-D models. Over 20 different studies show these alternatives are just as educational as dissection, if not more so.*

When did you first give dissection the cold shoulder? *In seventh grade, when I was faced with dissecting a chicken wing. I asked for an alternative, but [the teacher] said only if I'm a vegetarian.*

What did your family think about your name change? *When I called my dad to tell him, he had me repeat it, like, three times. Then I sent him a DVD of an undercover investigation into a dissection-supply company. After he watched it, he told me he completely supports me.*

You just graduated from high school. Any plans for college? *I applied to one college already. One of the essays was "Talk about yourself." So I wrote, "I changed my name to raise awareness about dissection options available to students." The college puts a lot of emphasis on people who volunteer, so I'm hoping it will go over well. I'm not holding my breath.* ■



Conversation starter
Dissection.com's name gets people (like us) talking about the issue

A Free Boxing Lesson With:

Oscar De La Hoya



DURING THESE DISMAL economic times, perhaps the sweet science can relieve a little stress. "Picture some person you hate," says boxing champ Oscar De La Hoya. "Put their face on that bag and just punch at it. Let go of those frustrations." Feel free, by the way, to imagine punching your stock portfolio or some doughy-faced financier.

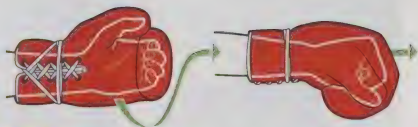
To glean more boxing insights, TIME visited De La Hoya—who, at 35, is still the most popular fighter in the world—in Big Bear Lake, Calif., where he was preparing for his Dec. 6 pay-per-view bout with Manny Pacquiao, the top-ranked pound-for-pound boxer on the planet.

What's the best part of being a fighter? "When you're in that ring, you can float," De La Hoya says. "You can move around on your toes and feel invincible." Worst part? "The diet," says the welterweight (147 lb. max) who follows a strict organic regimen. "It's horrible." —BY SEAN GREGORY



Ringside Seats

See Oscar De La Hoya give 10 knockout boxing tips at time.com/delahoya



THE PUNCH

1. SMOOTH START

Keep your fist loose as you begin to swing, says De La Hoya. Tension just slows you down and tires you out.

2. TIGHT SQUEEZE

When you're halfway to the target, clench to prep for landing.

3. POWER BOOST

Just before impact, twist your fist for maximum force.



A LEFT HOOK

1. READ THE MITTS

Boxers tend to bounce their hands up and down, De La Hoya notes. So as those gloves come up, prepare to pounce.



2. MAKE HAY

As those hands go down, throw a quick hook. But never wind up for extra oomph. "That's telegraphing the punch," he says.



3. SWITCH TO DEFENSE

On follow-through, shield your face in case your opponent strikes back. "Don't admire your work," De La Hoya warns.



FOOTWORK

STEALTH MOVE

Step on a fighter's foot to keep him stationary. But you must move quickly to avoid the ref's gaze.



SPEED BAG

EASE INTO IT

Start out banging the bag slowly, and listen to it hit the platform to help you find a comfortable rhythm.



FINAL BELL

OSCAR SAYS ...

To get fit, chop wood and pound tires. And eat deer and kangaroo too. Why? High-protein, low-fat.



Meet the Bitty Viddies

New high-definition camcorders are tiny enough to fit in your pocket. And they're (relatively) cheap too



FLIP

The \$230 MinoHD has a 1.5-in. display and can store an hour's worth of video

DIMENSIONS
3.9 in. by 2 in.

DOWNSIDES
Screen is tiny; can't add memory cards



KODAK

The \$180 Zi6 has a bright, 2.4-in. display and requires a memory card

DIMENSIONS
4.5 in. by 2.5 in.

DOWNSIDES
A little bulky; navigation is clumsy

IF YOU EVER HAVE TO REVIEW two very similar tech products—any kind of gadgets, even supercomputers—I highly recommend dragging in a pair of 11-year-olds. That's what I did on a recent Saturday when a couple of inexpensive, pocket-size HD camcorders arrived at the Quittner household.

"Want to make a movie?"

I asked my daughter Clementine, giving her the sleek Flip MinoHD (\$230). I tossed the slightly larger Kodak Zi6 (\$180) to her best pal, Katie. "Let me know how it goes, kids." They toddled off excitedly to make a caper film, and I turned my attention to online poker. Sometimes this job is so easy, I feel like Tom Sawyer.

But as my all-in, 10-high

club flush got hammered by a jack-high club flush, I fretted about how my reviewers would parse the subtle differences between the cameras. These bitty viddies aspire to be utterly simple, without the array of buttons and settings that come on higher-end models. Both produce high-definition video. Both have USB plugs that pop up at the

touch of a button, switchblade-style, so you don't need a separate cord to connect them to your computer. Both have super-easy-to-use editing software (Kodak's is PC-only) that lets you snip together movies and auto-upload them to YouTube. The biggest downside: neither comes with image stabilization. At least not yet.

But the cameras are different in a few fundamental ways. The Mino has 4 GB of built-in memory—enough for about an hour of video—but it's not expandable via external memory cards. By contrast, Kodak expects you to bring your own memory card to the Zi6. (It costs about \$30 for 4 GB, closing the price gap with the Mino.) To recharge the Mino's built-in battery, which lasts about two hours, you can plug the camcorder into your computer via the USB port. The Zi6 uses rechargeable AA batteries or, in a pinch, nonrechargeable ones, if they're easier to procure when you're on the road.

Although my testers were partial to the Zi6's 2.4-in. LCD screen (they deemed the Mino's 1.5-inch "small" even for 11-year-old eyes), they felt the Kodak unit was too confusing overall. They didn't understand the "extra buttons"—a teensy joystick and two buttons that allow you to record, play back and delete, as well as zoom or switch to lower, less-memory-consuming video quality. They abandoned the Kodak after half an hour or so.

After playing with both cameras myself, I concur. Neither gadget is going to shoot gorgeous cinematography, but then again, the point of these tiny camcorders is take-them-everywhere convenience. And the Mino is simpler and sleeker. If only I could play poker on it too.



DOWNSIZING

Camcorders keep shrinking From the pioneering VHS model, the JVC GR-C1, in 1984; to Sony's popular VX1000, which started uploading digital video in 1995; to Sanyo's debut of a pocket-size HD cam, the DMX-HD2, last year





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Nothing but talk

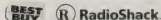
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De-Cluttering Your Mailbox. All those catalogs and credit-card offers kill a lot of trees. But new websites can help reduce unwanted snail mail



PUSHING THE ENVELOPE

40 LB.

Weight of junk mail each American gets per year

848

Pieces of junk mail each household gets per year

89%

Poll respondents who support a Do Not Mail list

30%

Worldwide mail composed of U.S. junk mail

19 BILLION

Number of catalogs mailed every year

BY JEREMY CAPLAN

REMEMBER WHEN GOING through the mail was a thrill? These days Americans get an average of 18 pieces of junk mail for every personal letter. From catalogs to credit-card solicitations, our mailboxes are increasingly clogged with clutter. Dealing with unwanted mail not only wastes our time (eight months over the average lifespan) but also bears environmental costs. Paper spam eats up an estimated 100 million trees each year, with 44% of junk mail ending up—unopened—in landfills.

To address the problem, Forest Ethics, a San Francisco-based environmental group, has launched a national Do Not Mail campaign, modeled on the successful Do Not Call Registry. So far, 19 states have debated Do Not Mail proposals. But none has passed—and who knows if any ever will. Will Craven, a spokesman for Forest Ethics, says that's

partly because marketers pour millions of dollars—and lobbying savvy—into manipulating our mail: "We now have a runaway supply of junk in the face of shrinking and even resentful demand."

One reason politicians may be unlikely to declare war on direct mail is that it yields an estimated \$646 billion a year in sales. (The magazine industry, including Time Inc., which publishes TIME, makes frequent use of direct mail.) "Mail works," says Don McKenzie, CEO of Direct Group, a direct-marketing company. "It's one of the best advertising methods out there." Which means that free-market solutions are likely to remain your best ally in combatting mailbox mess.

A slew of new services aim to give you at least some control over what mail you receive. One of the most popular, *CatalogChoice.org*, focuses on ridding your mailbox of unwanted catalogs. You tell the nonprofit which ones you want to stop getting, and the site will contact mailers on your behalf. More than a million people have signed up since the free service was launched last year,

and it has no doubt lightened many a mailbox. But the site isn't perfect. For starters, some companies simply ignore its entreaties. Others beg you to let them send at least one catalog a year.

And if having to give Catalog Choice your customer numbers from umpteen mailing labels sounds a little too labor-intensive, you can pay *GreenDimes.com* to do the grunt work for you. CEO Pankaj Shah justifies GreenDimes' \$20 annual fee by pledging to reduce your junk mail 90% within 90 days—by pulling your name off a broad range of lists—and to follow up monthly to make sure you stay off those lists. In terms of eliminating paper waste, this service beats Catalog Choice in that it's more comprehensive—and quicker—in its clutter-clearing.

But if \$20 seems like a lot of green, *ProQua.com* is the most comprehensive free service. Type in your name and address, and the site lets you opt out of credit-card solicitations, catalogs, Valpak coupons, sweepstakes announcements and other postal plague. In addition to eliminating unwanted mail, the company plans to generate ad revenue by letting consumers specify the kind of offers they actually want to receive. What a novel concept. ■



Tomorrow begins today.

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The magic step Randy Cortright wants to perfect a process for converting wheat stalks and other biomass into gasoline

Virent

It's turning biomass into gasoline. How quickly can it scale up?

BIOFUEL You think ethanol from corn kernels is environmentally friendly? How about gasoline made from cornstalks? Bio-forming, a new catalytic technique for converting biomass materials into fuels and chemicals, resembles

the alchemy used to turn garbage into energy in *Back to the Future*. But it actually seems to work. Co-inventor Randy Cortright was a scientist at the University of Wisconsin when he developed the process in 2001; he left the following year to found Virent and commercialize his findings. Virent can already produce small amounts of fuel from stalks, and Cortright says the process would also work with anything from wheat straw to sugarcane stalks to switchgrass. Grass in; gas out.

When he first considered applying catalytics to fuel production over a summer lunch in 2001, Cortright was working on a project for agro-giant Cargill to make antifreeze out of organic acids. Gradually, he expanded his technique. Cortright says Virent now generates about half a gallon (2 L) of gasoline a day. Clearly there's a scale issue. But the fuel has properties so similar to petroleum-based gas that you could run your car on it. The Wisconsin company, which has

76 employees, hopes to build a bigger pilot plant next year, followed by a commercial demo plant that could generate 10 million gal. (38 million L) annually. Eventually, Virent wants to go global, with each plant using local biomass—grass, cornstalks or other ag by-products—to generate gas. "Not that many people," Cortright says, "have a chance to have that much impact both on economics and the environment."

—BY JEREMY CAPLAN

A new spin
Petro's
motor sips
electricity



NovaTorque

The humble electric motor gets a major makeover—and gives green a new factory

POWER You don't need solar panels on the roof or a windmill in your backyard to go green. Boosting the efficiency of existing appliances is just as important as harnessing alternative energy sources to power them. That's why John Petro, founder of NovaTorque in Sunnyvale, Calif., decided to redesign the electric motor, which consumes about half of all the electricity used today and is found in everything from toy robots to dishwashers. Motors use oppositely charged magnets to create spin, converting electrical energy into mechanical energy. NovaTorque's motor replaces the cylindrical magnets found in induction motors with smaller, conical ones that are both lighter and more compact. The design requires 40% less steel and half as much copper wiring as a typical motor. It's also 10% to 30% more efficient. That's a massive energy saving—power plants' worth.

Though the motor was conceived in 2003, its development stalled for years because Petro didn't have the funds to manufacture it. The \$40 billion motor industry is notoriously resistant to change and gave NovaTorque a chilly reception. Other potential investors simply didn't understand his breakthrough. "The motor industry is not something the venture-capital industry is interested in. They will fund the 23rd solar company before they will fund a motor company," says Petro. In July, Petro finally found a VC who got it. Manufacturing starts next year, and yes, NovaTorque is hiring engineers. —BY ANITA HAMILTON

Proteus Biomedical

The maker of internal sensors wants to monitor your health from the inside out

BIOTECH If you bought a car recently, chances are you haven't been sidelined by a flat tire. That's because new cars have on-board sensors to warn you about a drop in tire pressure—a predictor that you're heading for flatsville.

Wouldn't it be cool if your body had the same level of support? Imagine knowing that your heart was starting to fire irregularly or that Grandma wasn't taking her medication. That's the idea behind Proteus Biomedical, a seven-year-old start-up based in Redwood, Calif., that is working on "smart pills"—internal sensors that monitor a person's health. Someday Proteus' technology could link a number of implanted sensors and computer systems into a "hub device" that wirelessly broadcasts diagnostic data. Andrew Thompson, CEO and co-founder of Proteus, likens the approach to GM's OnStar, which warns drivers of problems with their car. It's better than paying to have warranty work done post-glitch. "It's much cheaper to equip people so they can get themselves tuned up before they break down," Thompson says.

Proteus has lined up more than \$60 million in funding and will concentrate for now on designing smart pills that monitor mechanical and electrical devices, as opposed to, say, blood chemistry. Will we all ingest a Proteus pill someday as a precautionary measure? "I'm not going to argue that perfectly healthy people will have implanted devices," Thompson says. But the market for smart pharma for older people is certainly large enough for not only Proteus but a whole new industry. —BY JOSH QUITTNER/SAN FRANCISCO

MorphoSys

An antibody erector set could turn the tide against autoimmune diseases

BIOTECH Simon Moroney runs an amazing library, although the New Zealand-born chemical engineer doesn't work with books. As CEO of the German biotech firm MorphoSys, he is master of an archive, HuCAL (Human Combinatorial Antibody Library), that consists of some



Archivist Moroney stores billions of antibodies

Smart pills
Sensors you
can swallow



12 billion human antibodies—the proteins that white blood cells use to fight disease. It forms the basis for a new type of medicine targeting autoimmune diseases such as multiple sclerosis and cancer.

Instead of containing complete volumes of the Y-shaped immunoglobulins, HuCAL has the building blocks—49 variant basic units that comprise all these proteins—plus the countless CDRs (Complementarity Determining Regions) that decide their specificity. Phages, viruses that infect bacteria but are harmless to humans, taxi the structure to the target, a cancer cell, say. Once there, it will either dock—a match—or not.

The advantage of this ingenious, Lego-like assembly-kit method: developers can speedily and systematically match an antibody to a given antigen and then reproduce it. Therapeutic antibodies are hot, and MorphoSys has research deals with the top folk in the sector. Some 15 drugs, Moroney hopes, will soon be ready to enter the market. MorphoSys also has some of its own in the pipeline: MOR103, which animal tests have shown works well against rheumatoid arthritis, and MOR202, which offers great promise in fighting multiple myeloma. —BY URSULA SAUTTER/BONN, GERMANY

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SAMSUNG

JiGrahak

Its ngpay platform turns cell phones into shopping malls

IT When Sourabh Jain set out to build a mobile-commerce platform in 2004, he aimed high. "I knew I wanted to build a disruptive technology... the Google or Amazon of m-commerce," says the Delhi College of Engineering grad. Four years later, his start-up, ngpay, is India's largest "mall on the mobile." More than 225,000 users shop, book train tickets, pay bills and bank using even entry-level handsets over any secure network. Only eight months old, ngpay hosts 1.6 million transactions a month and is India's fastest-growing m-commerce business.

Jain quit his job at AT&T Technologies to start JiGrahak from his Bangalore apartment with a team of three techies. It was kept afloat with contributions from friends and family. With characteristic chutzpah, Jain took two key risks. First, he built a platform not simply for m-payments but for m-commerce—a bigger, more complex challenge. Sec-



Mobile shopper
JiGrahak's Jain
on the streets
of Bangalore

ond, at a time when no one seemed to grasp high-speed data networks' potential, his team perfected a platform, ngpay, that was cheap and quick to download and use, and several notches up from existing m-commerce options. Its one-stop mobile-shop model enabled easy browsing of hundreds of neatly categorized services and products.

Despite having a pathbreaking

technology, Jain found it an uphill battle to take ngpay to market and persuade businesses to sell their wares or services over it. "His initial meetings were spent explaining just how the mobile could be used for something other than making voice calls," says Abhijit Bose, ngpay's vice president, with a laugh. The company now offers 250 products and services. Bose says ngpay has shown that

m-commerce is a viable and scalable alternative to e-commerce. It has enormous potential in India, where there are only 15 million PC Internet connections but 65 million mobile Internet users. "Over 70% of our users are outside the metros," Bose says. "We can lead the way in providing low-cost m-commerce and financial services to the underserved."

—BY MADHUR SINGH/NEW DELHI

ATT Advanced Track & Trace

Flooded IDs help foil thieves and counterfeiters

IT Manufacturers of everything from razor blades to footwear to drugs have for years been fighting a war with counterfeiters who sell cheap copies of their goods and diverters who infiltrate the distribution system. That the war is never-ending explains why you still see cosmetics made in Europe for the Hong Kong market showing

up on the streets of Nairobi.

In 2006, ATT Advanced Track & Trace introduced a digitized marking-and-tracking method that allows manufacturers to verify whether their shipments are where they are supposed to be in real time. "What this does is allow brand owners to trace and track their goods—individually or as part of a larger shipment—and also have instant authentication that goods being sold as genuine really are," says Jean-Pierre Massicot, CEO of ATT, based in the Paris suburb Rueil-Malmaison. This is hugely important because customs authorities estimate that counterfeiting costs companies \$250 billion to \$400 billion a year. Counterfeit foodstuffs, pharmaceuticals and cosmetics, meanwhile, can carry serious health hazards for consumers—another reason ATT's breakthrough


is valuable to manufacturers like GlaxoSmithKline and L'Oréal, which need to verify that goods sold under their name are authentic.

Central to that effort is ATT's Vector Seal technology, which stamps each product package with a unique, digitally created ID mark and traces it via scanners during the journey to the end user. Those square, pixelated codes are affixed in visible and hidden form on packages to prevent thieves from repacking bogus goods in the original containers. Because the codes are also impossible to reproduce in printed form without making them unreadable to scanners, the centrally stored Vector Seal codes ensure that counterfeiters can't produce "legitimate" brand-packaging ID for their knockoffs.

—BY BRUCE CRUMLEY/PARIS



On track
Massicot's
digital tracer



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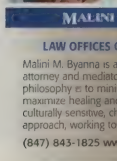
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Arts

MOVIES BOOKS SHORT LIST



MOVIES

Clintessence.

In *Gran Torino*, Clint Eastwood brings his iconic character full circle

BY RICHARD CORLISS

WALT KOWALSKI IS, TO PUT IT GENTLY, an old crank, given to growling and spitting like a distempered stray. He's a mass of gruff prejudices against the minorities who've moved into his Michigan town. When some kids brawl in front of his house, he brandishes a rifle and actually shouts, "Get off my lawn!" In any other movie, he'd be the sour comic relief or the monster's first victim. But since, in *Gran Torino*, he's played by Clint Eastwood, Walt is a stalwart man of the Midwest—the hunk who has a score to settle. With himself.

Well into his fifth decade as one of the world's most popular and honored movie stars, Eastwood has lately sloughed off acting to concentrate on directing; *Gran Torino* is the ninth feature (including the documentary *Piano Blues*) that he's helmed since turning 70 in 2000. He doesn't do much work in front of the camera anymore, but what's there is choice. His last starring role, as the grizzled fight trainer in 2004's *Million Dollar Baby*, earned him an Academy Award nomination for Best Actor, while the movie won for picture, acting (Hilary Swank), supporting actor (Morgan Freeman) and, of course, director. Nobody else has directed Eastwood in a movie since Wolfgang Petersen made *In the Line of Fire* in '93.

That makes an Eastwood lead role a movie event—especially since he's hinted he would stick to directing from now on. About *Gran Torino*, he recently said, "That will probably do it for me as far as acting is concerned." (We hope not. At 78, he still looks great.) He might have been kidding, but you'll want to catch the film in case it really is the Lone Thespian taking his last ride into the sunset.

The Star with No Peer

HE'S DONE ALL RIGHT FOR A FELLOW WHO began as a Universal contract player in 1955, doing bit roles in movies starring giant spiders (*Tarantula*) and talking mules (*Francis in the Navy*). He settled into the saddle as ramrod Rowdy Yates, second lead in the cattle-drive TV western *Rawhide*, a job that guaranteed a paycheck but deferred movie fame. Sergio Leone changed all that when he paid Eastwood \$15,000 to play a misanthrope with a gun, wiping out two teams of bad guys, in *Fistful of Dollars*. By the time he'd done two more Leone westerns, *For a Few Dollars More* and *The Good, the Bad and the Ugly*, Eastwood was a star in the classic Hollywood sense—which is to say he had found a persona that he could comfortably inhabit and that would attract customers in the U.S. and abroad, where they call him "Cleat."

That persona basically took John Wayne, the solitary western hero, and made him nastier, edgier, way easier to anger. Where the Duke dawdled and lumbered—he wasn't so much a cattleman as a cattle man—Clint scowled and pounced, a scorpion with stubble. This character was both iconic and malleable: he was as at home on the streets as on the range and as a cop (in the *Dirty Harry* series), a convict (*Escape from Alcatraz*), a soldier (*Heartbreak Ridge*) and, later, a father figure like the Old Testament God—anyone with an intimidating presence and a sandpaper soul. Is that acting? Sure. He doesn't just behave; he performs, confidently, richly, within the slim range

Six Characters and a Searching Auteur. A 50-year gallery of the actor-director



Rowdy Yates

Rawhide (1959)
Six years as a co-star in a TV western schooled him in fast shooting: guns and movies



Man with No Name

Fistful of Dollars (1964)
Actually called Joe, this surly antihero of Sergio Leone's spaghetti western made Clint a star



Harry Callahan

Dirty Harry (1971)
This sociopathic cop, threatening "Make my day," gave Eastwood a five-hit franchise



Philo Beddoe

Every Which Way But Loose (1978)
He was second banana to Clyde the orangutan—and people paid to see it



Will Munny

Unforgiven (1992)
This dark western about an aging gunman won Eastwood Oscars for picture and director



Walt Kowalski

Gran Torino (2008)
In his latest (and last?) acting gig, Clint plays an old guy seeking vengeance and redemption

of the Man with No Name, no home and no regrets. How do we know this is acting? Because in person Eastwood is genial, soft-spoken, quick-smiling—the opposite of the movie Clint in temperament and thoughtfulness, his equal only in stature.

Another similarity: the self-assurance of the Clint character, an almost religious trust in first impulses, is reflected in Eastwood's method as a film director. Others take years to nurse a project; Eastwood revved up *Gran Torino* in June, started shooting in mid-July and had his final cut by the end of October. This cool efficiency endears him to screenwriters (if he likes a script, he shoots it without demanding a million rewrites) and most actors (if he likes Take 1, he prints it and goes to the next scene). Hey, it's only a movie. And often—say, *Breezy*, *Pale Rider*, *Unforgiven*, *Million Dollar Baby*, *Flags of Our Fathers*, to skim five off the top—they are movies that have the craft and heart of classic Hollywood, without that musty antique odor.

Now, decisiveness is fine, but it raises the question, Is Clint Eastwood too easily satisfied? Sometimes scripts do need to be rewritten or pared down. Often actors will be strongest in Take 13 or 30. And shoot-

ing a movie fast isn't the same as making it move, which Eastwood's films don't always do; they can be both slack and slapdash. Most critics love Clint the auteur, and there's plenty to admire, but his directorial style is in danger of being as overrated as his acting is underrated. He's a fine director when he connects with the linear clarity of a simple story—which is why the teeming narratives of *Mystic River* and *Changeling* don't work quite so well as straight-ahead fables like *Million Dollar Baby* and *Gran Torino*. The latter movies have one other advantage: the director is also the star.

Cleansing Dirty Harry

THERE ARE MANY MEN, OF SULLEN DISPOSITION and modest achievement, who watch a Clint Eastwood movie and wish they could resolve their daily dilemmas with a blast of gunfire and walk away free. Walt Kowalski might be such a one. At his wife's funeral, he can swat away the condolences of relatives and the parish priest, but he can't evict them from his life. Retired after 50 years on the Ford assembly line, Walt is as much an endangered species as the company he worked for. While he carefully maintains his house, white

picket fence and all, the neighbors' homes have chipped paint and the sag of misuse. He's a cowboy stuck in the desolate Midwest, and instead of stubborn Indians and stud gunslingers, he's surrounded by Hispanic punks and Hmong immigrants from Southeast Asia. And now Tao (Bee Vang), a Hmong teen who's bullied by both ethnic groups, has broken into Walt's garage to steal the old man's most treasured possession: his 1972 Gran Torino.

Channeling Henry Fonda's balky geezer in *On Golden Pond* (though he's robust where Fonda was frail), Walt is clearly destined for interracial rehab; the movie's story is the thawing of this great slab of mean. He warms to Tao, who could use some foster-fathering; to Tao's well-adjusted sister Sue (Ahney Her); and to their whole adorably folkloric clan. But Walt needs more than living among the Hmong. As a family elder tells him, "You're not at peace."

After stewing for years in what might seem like standard working-class racism, Walt has to resolve his soldiering in the Korean War—when, he tells Tao, "I used to stash guys like you five feet high in Korea. Used 'em for sandbags." Still haunted by killings that now weigh on him like war crimes, he must emerge from his white-picket cave of bitterness and find a purpose for his life: to become a guardian angel to Tao and Sue and an angel of death to anyone who'd do these decent kids harm.

In other words, Walt must both be a Man with No Name, a Dirty Harry, and find a cause beyond duty or blood sport to atone for his Korean gunmanship. This fits with Eastwood's rounding out of his familiar character in later films—challenging the audience to accept "Clell" when he does surprising things. In *Million Dollar Baby*, killing was an act of mercy. Here, for Walt to put his life on the line, in a kind of suicide mission, is a final act of contrition.

Eastwood the director, commendably casting major roles from within the Hmong community, elicits a naturalness from his untutored young stars, though for a while you must take the performances on faith, as Walt learns to take the people. But Eastwood the actor is in total command, daring himself to new depths. You'll see a tough man cry—one of the few flourishes of tears in the Eastwood oeuvre. That unaffected emotion eventually informs the whole movie, making it a wrenching, rewarding experience.

If *Gran Torino* is his last hurrah as a movie star, that's too bad. But he couldn't find a better one to go out on—not just as a valediction for the crusty character he's played so often and for so long but as a final twisting validation of it. Along with his famous guts, Dirty Harry has a heart. ■

BOOKS

The Princess Diaries. Carrie Fisher's memoir about being famous, drunk and crazy, all at the same time

CARRIE FISHER
WISHFUL DRINKING



FIRST LINE

So I am fifty-two years old. (Apparently.) Actually, that's more verifiable than the rest of it.

BY LEV GROSSMAN

CARRIE FISHER IS AN ANOMALY in Hollywood: a demonstrably clever celebrity. (I say demonstrably because plenty of celebrities are extremely clever; they just tend to keep it to themselves.) Fisher is the author of four novels, several screenplays and two autobiographical one-woman shows. Now she's written a memoir, or rather adapted it from her show of the same name, *Wishful Drinking* (Simon & Schuster; 163 pages).

Fisher is, as she puts it, a "product of Hollywood in-breeding"; her mother is Debbie Reynolds, and her father is the singer Eddie Fisher. After her father left Reynolds for Elizabeth Taylor, Fisher grew up emotionally dependent on her mother, which presented difficulties because her mother

was emotionally dependent on being famous. "I really didn't like sharing her," Fisher writes. "It seemed almost unsanitary."

The pace of the one-liners in *Wishful Drinking* is a little relentless, but it's as valid a way as any of depicting the floodlit, perspectiveless world of fame where Fisher has spent her life. It probably didn't strengthen Fisher's tenuous connection to consensus reality when at 19 she became a pop-culture icon as Princess Leia in *Star Wars*. Fisher says that she hated Leia's Cinnabon hair ("Give me a hairstyle that further widens my already wide face") and that George Lucas wouldn't let her wear a bra; instead, he made her tape down her breasts with gaffer's tape. She writes about marriage to Paul Simon and sex with Chris Dodd and meeting Bob Dylan. When Dylan showed up at a party wearing sunglasses and a parka, Fisher said, "Thank God you wore that, Bob, because sometimes late at night here the sun gets really, really bright, and then it snows."

But what ties the book together is Fisher's struggle with addiction and manic depression. *Wishful Drinking* is her attempt to gather up a life time of memories scattered by electroshock therapy. At one point, she describes being admitted to a locked ward during a psychotic episode. She signed her commitment papers with a single word: *shame*. It's one of the few paragraphs in *Wishful Drinking* that doesn't contain a punch line; only when she writes about her brushes with madness does Fisher drop her manic stand-up shtick and let us see, for a moment, what it's there to cover up. Ironically, it's when she's describing herself at her craziest that she sounds the most sane. ■

Carrie Fisher



BOOKS

His Other Life. A biography of V.S. Naipaul asks, What can and should be sacrificed in the name of art?



FIRST LINE

The islands of the Caribbean dot and dash their way through the sea, linking different worlds.

BY PICO IYER

WHILE PAT, HIS ADORING AND self-sacrificing wife of 40 years, was on her deathbed, V.S. Naipaul was zipping around Pakistan with a new, much younger companion, angry, as she later reported, that his wife "was not dying fast enough because he wanted to carry on with his life." The day after Pat's cremation, he brought the younger woman into their home to be his second wife. "Would you say you have had a happy life?" the Nobel-winning novelist records asking Pat in his diary. "No direct answer," he writes. "It was perhaps my own fault," comes her faint reply.

Such shocking moments—and startling candor—are everywhere in *The World Is What It Is* (Knopf; 554 pages), a biography of Naipaul by the British writer Patrick French that is as haunting and harrowing a psychological document as you could ask for. Telling the life of the famously exacting writer has

long seemed a daunting prospect, not least because he has written so often and with such unsparing honesty about his ambitions and insecurities. But French pursues his prey with an acuity worthy of the man himself. That this unsettling record is an authorized biography says something impressive about both writer and subject.

The particular achievement of *The World* is to flesh out the two potent forces that Naipaul has often seemed to repress: women and Trinidad, where he grew up. The abstemious Brahmin vegetarian who looked away from the movie screen whenever a kissing scene was shown, even after his marriage, is here revealed as a writer of wildly

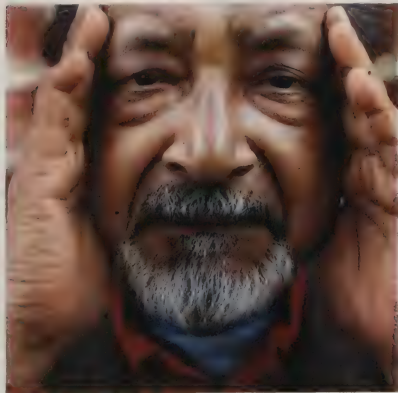
The World Is What It Is is as haunting and harrowing a document as you could ask for

sensual letters whose mistress of 24 years called him "the Lion King" and drew sketches of his manhood in all its naked glory. That did not stop him from seeing her through three abortions and being, in his alarming words, "very violent with her for two days with my hand," but it does bring home how women could see something redeeming and inchoate beneath the mask of a curmudgeon who seemed determined to play Evelyn Waugh in brownface.

Even more surprising is to see Naipaul as a boy showing off for girls with his acrobatics and singing "Ol Man River" as he darts his socks. Much of his mischief and provokingness he got from his Caribbean origins, he acknowledges; and to see the calypso Naipaul before he began taking snuff from a silver spoon is to see a much more human and endearing figure than the master usually admits to.

Excavating Pat's diary and the writer's own journal and talking to more than a hundred people on several continents, French grippingly develops an account of the writer's life as cool and undeluded as Naipaul's former friend Paul Theroux's was rivetingly emotional. Though he remains deeply sympathetic to Pat, who gave herself over without complaint to a man she was convinced was a genius, French is otherwise as plainspoken as his subject: the critic Clive James is "an ill-favoured Australian humorist." Naipaul's second wife Nadira he calls "dyslexic, emotional, fairly scandalous."

The central question the book raises is how much inhumanity is justified in the cultivation of a talent—especially in an age when (as Naipaul is shrewd enough to realize) writers are judged on the basis of their personality more than their art. Even as he turned himself into a bespoke English gentleman, after all, while Pat became the obedient and self-denying Indian wife of legend, Naipaul's strength lay not just in the clarity of his observations but in the passion—the grief and terror and rage—that trembled just beneath them. When Pat finally died, in 1996, French tells us, her husband leaned against a car, weeping uncontrollably, as her ashes were scattered. He knew—such is his tragedy and his power—all that he had done, and all that he had lost.



Self-scrutiny Naipaul laid bare the details of his life for this authorized biography

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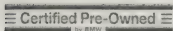
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Short List

TIME'S PICKS FOR THE WEEK



1 ALBUM 808s & Heartbreak

Using an ancient 808 drum machine for beats and a broken engagement for material, Kanye West turns in the most fascinating pop experiment since Radiohead's *Kid A*. The ghostly vocals and spare arrangements take getting used to, but the sound of his introspection is thrilling.

2 BOOK Revolutionary Road

Richard Yates' devastating 1961 novel about a couple whose marriage implodes amid the cocktails and commuter trains of '50s suburbia may be the best book you've never read. So read it now—then see the film, starring Kate Winslet and Leonardo DiCaprio, out Dec. 26.

3 DVD Frost/Nixon: Original Watergate Interviews

Video footnotes to a new movie? Yep. A fascinating corollary to the film with Frank Langella as Richard Nixon and Michael Sheen as David Frost, here's the 1977 show with the real stars. There's no gotcha moment, just the raw drama of a fallen monarch in closeup.

4 DVD Deadwood: The Complete Series

Over three seasons, David Milch's poetically profane western explored the evolution of a South Dakota gold-rush town populated by dreamers, grifters and whores. The series was cut short by a year; with this infinitely rewatchable collection, the end need never come.

5 BOOK The Tales of Beedle the Bard

They made a coy cameo in *Harry Potter and the Deathly Hallows*, and now here they are in full: five funny fairy tales of magic and Muggles, annotated by one Albus Dumbledore. The \$100 collector's edition is a splurge, but all profits go to J.K. Rowling's children's charity.



Arts Online

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Michael

Kinsley

Pump It Up. Everyone says we need a huge stimulus package. Fine. But let's not pretend there's no cost

SO, WE'RE ALL AGREED. THE MINUTE PRESIDENT-ELECT Barack Obama takes office, if not sooner, we must have a gigantic stimulus package of federal spending or tax cuts to get the country moving again. Wait. Better make that a humongous stimulus package. In fact, what's bigger than humongous? We'd better have a gargantuan stimulus package. Ordering up solutions to this economic crisis is getting to be like ordering a latte from Starbucks: On second thought, we'll take the bigger one.

But what about that \$750 billion we already gave Hank Paulson, the Treasury Secretary, to clean up this mess? Oh yeah, that. Well, that wasn't a stimulus. It was a bailout. Big difference. The purpose of the bailout was to save the financial system from collapse. (And anyway, it hasn't worked.) The purpose of a stimulus is to get the entire economy moving again. Put money in people's pockets and let them spend it. Or, even better, let's spend it together on national projects like fixing the highway system. Bring on the earmarks! Hey, Sarah—where did we stash those plans for that Bridge to Nowhere?

The *Economist* warns about "the perils of incrementalism." Nobel Prize-winning economist Joseph Stiglitz cautions that we must not let "latter-day Hooverites" stop us from thinking "big—very big." Stiglitz himself is thinking "at least \$600 billion to \$1 trillion," which is pretty big. Paul Krugman, another Nobel economist, says there is an "intense debate" over how big the stimulus should be. Krugman doesn't offer a number, but he makes it clear that he is not going to be outbid.

Near as I can tell, these guys are all dressed up for battle with no one to fight. Who are these latter-day Hooverites? What prominent economist is out there opposing a stimulus? What politician has said he or she will pass up the opportunity to vote for spending a few hundred billion in a big hurry? Harvard professor Gregory Mankiw, who chaired George W. Bush's Council of Economic Advisers, noted puckishly in the *New York Times* that he has children, whereas John Maynard Keynes—the intellectual godfather of the idea that government spending can jolt you out of a recession—did not. But even Mankiw doesn't actually oppose the idea of burdening the children with more debt.

If anything, there is a world-historical consensus about the need for a very big stimulus. This is so even though any

amount in the hundreds of billions—the minimum necessary to enter the bidding—immediately makes a mockery of anything anybody has said or done in recent years about getting government spending under control. At best, you might be able to stir up an argument about "very big" vs. "very, very big," or about how the money should be spent. Politicians aren't the only ones dusting off their wish lists. Columnist David Brooks, channeling Harvard Business School professor Michael Porter, says let's not forget state universities. Noted.

And sure, I get the point: if the patient is dying, you give him blood right now and worry about his cholesterol count later. Krugman says, plausibly, that it's not even a question of long run vs. short run: we'll also be better off in the long run if we can escape the effects of this immediate crisis. If the patient dies, he's not going to be healthy in 10 years no matter what.

But is there a downside here at all? Maybe these economists (and the *Economist*) think the downside is obvious, but it obviously isn't obvious, or we wouldn't have run up what seemed until a few weeks ago to be the very large deficits of the past 30 years. Unless there is a downside, why stop at a trillion? Why choose between cutting taxes and spending on infrastructure?

Heck, let's do both. Party on!

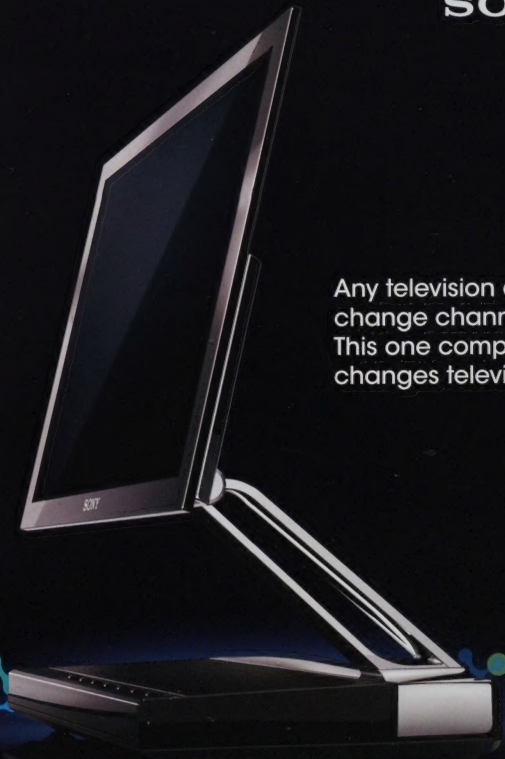
Here's the best part. Apparently, we can pay for it all by printing money. This has been a no-no ever since Fed Chairman Paul Volcker slew the inflation dragon almost three decades ago. But now it seems the risk is deflation, not inflation, so running up a tab and printing money to pay for it is a good thing. After all, Volcker is back, heading Obama's emergency economic council. If Volcker says it's O.K., that's good enough for me. So is there a downside at all, or is this medicine so delicious that you look forward to getting sick?

The answer is yes, there is a downside. Even though amounts this large inevitably seem like toy money, it's a real trillion dollars we are talking about spending. Even if we spend the money wisely (on bridges to somewhere), we or future generations will still have to pay it off, with interest. Or, more likely, we will inflate it away, along with the life savings of those who were foolish enough to save all their lives. It's just that the downside of doing nothing is worse. It's an easy choice, I guess. But let's not pretend that it's a happy one.



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